By Brian Knowlton International Herald Tribune

WASHINGTON -- American voters headed into

the midterm elections Tuesday with local issues generally uppermost in their minds but with the White House sex scandal making predictions dicey.

After a slight but clear rise in Democratic support in recent weeks, the latest opinion polls show the numbers of Democrats and Republicans who say

Most analysts have been pointing to moderate Republican gains in the House and Senate races.

Nonetheless, they say there is a slight chance - one

that would have seemed absurd a few weeks ago that Democrats could regain control of the House.

The number of close races was unusually high as

they are likely to vote to be almost even.

Death Toll

From Storm

Could Climb

To 7,000

ber of deaths could top 5,000."

"There are many areas where com-

overview of damage in this huge re-

tiago Gil, head of the Americas De-partment of the International Federation of Red Cross and Red

In Washington, President Bill Clinton said the U.S. government was pro-

viding \$2 million in food, medicine,

water and other emergency supplies. At least 1,320 deaths had been of-

ficially reported in Honduras,

Nicaragua, El Salvador and Guate-

Clinton Heightens Close Races and Wild Cards as U.S. Votes Warning to Iraq

Its Defiance of UN Inspectors Will Backfire,' President Says

By Philip Shenon
New York Times Service

WASHINGTON — President Bill Clinton predicted Monday that Iraq's decision to end all cooperation with United Nations weapons inspectors would "backfire" and that the move had unified the international community in condemnation of the government of President Saddam Hussein.

He once again left open the pos-sibility that the United States would launch military strikes to force Iraq to comply with the weapons inspections.

'Until the inspectors are back, no options are off the table," the president said after he met at the White House with his top national security aides. "Saddam Aussein's latest refusal to cooperate with the international weapons inspectors is completely unacceptable."
"Once again, it will backfire," he said

at a White House event on health care. "His obstructionism was immediately and unanimously condemned by the United Nations Security Council." Mr. Clinton continued.

'It has only served to deepen the international community's resolve. For Iraq, the only path to lifting sanctions is through complete cooperation with the weapons inspectors — without restrictions, runarounds or roadblocks."

The White House said later that Mr. Clinton had asked Defense Secretary William Cohen to visit Europe and the Gulf region to meet allies on the latest confrontation.

The White House spokesman, Joe Lockhart, said Mr. Clinton had asked Mr. Cohen to go but gave no details of the visit. Other American officials,

quoted by Reuters, said the trip was expected to begin immediately.

Despite Irse's announcement on Saturday that it was ending all cooperation with the UN weapons inspectors, the State Department reported that inspec-

tors on the ground in Iraq had been allowed to carry out their work Monday and that the Iraqi government had made no move to expel the inspectors.

James Rubin, the department spokes-man, said that a technical team had tended to a monitoring camera and that groups of inspectors had gone to inspect

suspected weapons sites.
Still, he said, Iraq's announcement was "a very serious matter" and "Iraq has confronted the international community with an escalation by refusing to

Senior Clinton administration offi-cials said that the White House was debating a variety of responses to Iraq's move, including possible military

The options were weighed, they said, when Mr. Clinton met at the White House on Monday with the secretary of state, Madeleine Albright; the national security adviser, Samuel Berger, the chairman of the Joint Chiefs of Staff, General Henry Shelton, and Mr. Co-

The Associated Press reported: The Clinton administration appears ready to let the UN Security Council take the lead in confronting Iraq.
France and Russia, Security Council

members that have taken more lenient positions on relaxing sanctions on Iraq in the past, firmly rebuked Mr. Saddam after his announcement on Saturday and called for compliance with the UN Special Commission, known as Unscom. No additional American forces were

being moved to the Gulf region, and U.S. forces have not been placed on alert, according to a Pentagon spokes-man, Lieutenant Commander Anthony

Mr. Cohen said that unilateral U.S. military action against Iraq has "always been an option we could pursue, but we

See IRAQ, Page 6

French Officer Is Accused Of Passing Data to Serbs

By Craig R. Whitney
New York Times Service

PARIS - A French military officer at NATO headquarters in Brussels has been arrested on suspicion of telling erbia which targets the alliance would comb if Serbian forces did not stop anacking civilians in Kosovo, French officials said Monday.

Major Pierre Bunel, 46, assigned to

the alliance's Military Committee, the liaison between its military commands and the civilian political authorities they report to, is suspected of having passed top-secret documents to Serbian agents, officials said.

The documents contained information about military targets that would be hit by North Atlantic Treaty Organi-zation forces if President Slobodan Milosevic of Yugoslavia failed to meet a deadline of last Tuesday for stopping an offensive against civilians in the mainly ethnic Albanian province.

The allies had given the military com-a. a. U.S. General Wesley Clark, maj ar, U.S. General Wesley Clark, armority to begin bombing throughout Yugoslavia that evening if Mr. Milosevic did not comply but postponed such attacks indefinitely after Mr. Milosevic hanny million back his forces. losevic began pulling back his forces.

Monday @ 4 P.M.

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Serbia and Montenegro form the Fed-

comment Monday night on the arrest, which French officials said was made in Paris on Saturday morning. Major Bunel admitted passing documents to the Serbs but said he had acted out of sympathy for the Serbian cause, not for money, the officials said.

France, though not part of NATO's integrated command structure, is a member of the alliance and has deployed thousands of troops under American command to the alliance's peace-

keeping operations in Bosnia.

A French officer there was recalled to Paris this year after being accused of tipping off Bosnian Serb leaders about plans the allies had to arrest the former leader, Radovan Karadzic, and others on war-crimes charges made by an in-ternational criminal tribunal in The Hague. The alliance later called off the plans, but the French said then that the

officer had only been trying to persuade Mr. Karadzic to surrender. authority of a French civilian inves-

See SPY, Page 5



eral Republic of Yugoslavia. NATO officials in Brussels had no

This time, according to French officials, Major Bunel was arrested on the



voters prepared to elect 34 U.S. senators, all 435

members of the House of Representatives, 36 gov-

able electoral gains because of the scandal over

In Midwest, a sense of distance from Capital.

• Support for Democrats seems to rise. Page 2.

President Bill Clinton's affair with Monica Lewinsky.

determine the vigor with which the impeachment inquiry against Mr. Clinton is pursued. Yet few

voters say they see the election as a referendum on

Mr. Clinton or on Republican handling of the im-

peachment matter.

The makeup of the new Congress will largely

Only weeks ago Republicans were predicting siz-

ernors and thousands of local officials.

A Honduran soldier helping in the rescue of a resident of La Merced

mala by midday Monday, although relief officials said the toll was rising every hour. In northern Nicaragua, 1,000 to 1,500 people were buried below the slopes of the Casitas volcano, Vice President Enrique Bolanos said Sunday night. At least 600 additional people were killed elsewhere in Nicaragua, Mr. Bolanos said. Continuing rainfall and extensive

damage to roads and bridges hampered relief efforts throughout Nicaragua and Honduras, the countries most severely affected by the powerful late-season storm. "Some communities were com-pletely destroyed," said Leonora

Rivera, a spokeswoman for the

See STORM, Page 6

On Global Warming, Glacial Efforts

By Joby Warrick

WASHINGTON -- From observation posts high in the South American Andes, scientists this fall are pondering an extraordinary disappearing act: The great Quelccaya ice cap, home to some of the hemisphere's largest glaciers, is

The losses were small when first detected 30 years ago, but in the 1990s Quelccaya's retreat turned into a rout. Scientists are not sure why, but some

suspect global warming.
"Where it was shrinking at three meters a year, it's now up to 30 meters,"

said Ellen Mosley-Thompson, a glacier expert and professor at Ohio State Uni-

From the Andes to Montana's Lewis Range, dozens of ancient glaciers are turning to slush as global temperatures climb to the highest levels in recorded history. But despite increasingly strong signals of possible change in the climate, international efforts to slow global warming are at risk of sliding into a deep freeze

For the first time, the glaciers are moving literally faster than the negotiations," said Christopher Flavin, vice president and senior climate researcher at the Worldwatch Institute, a Wash-

ington research organization. The fear, he said, is that "time could be running out for both."

A year after the world's nations ap-proved the first binding agreement on climate change in Kyoto, Japan, 180 countries gathered Monday in Buenos Aires to begin deciding how to cut emissions of greenhouse gases. But Kyoto's sunay optimism has given way to cold reality in Buenos Aires as diplomats awaken to formidable technical challenges and steep divisions among nations over how to apportion the costs.

See WARM, Page 6

Governments can point to only paltry

Anwar Goes On Attack At His Trial

A low turnout, Mr. Clinton cautioned radio listen-

ers Monday, would return to Congress a Republican

majority that would "squander" the federal budget

surplus and "risk our economic program and its

campaigning for a Republican candidate in Wis-

consin, said that Democratic victories would amount to "higher taxes, bigger government and more power

Both Mr. Clinton and Mr. Gingrich, while sticking

to their parties' traditional arguments, studiously

avoided any talk of the Lewinsky scandal or the

impeachment inquiry, which will open in the House this month. The public has echoed that restraint.

See CAMPAIGN, Page 3

The House speaker, Newt Gingrich of Georgia,

Opening Day Criticism Is Aimed at Mahathir And Malaysian Aide

> By Mark Landler New York Times Service

KUALA LUMPUR — In a criminal case that has gripped Asia and come to symbolize the political convulsions that flow out of economic distress, the former deputy prime minister of Malaysia, Anwar Ibrahim, went on trial here

Monday to face charges of corruption. While most of the opening session was devoted to somewhat arcane legal maneuvers, Mr. Anwar commandeered the proceedings after court adjourned in the afternoon. Still standing in the dock, a gaunt but galvanized Mr. Anwar delivered a stinging denunciation of the conduct of the inquiry so far.

Speaking to a rapt press gallery, he criticized the Malaysian attorney general, Mohtar Abdullah, who said Saturday that Mr. Anwar could be tried on additional sex-related charges after this trial ended.

"How do you expect me to get a fair trial if the A. G. acts in this manner?" M: Anwar asked. "He is not professional." Mr. Anwar also had harsh words for his former boss, Prima Minister Ma-hathir bin Mohamad.

He said the prime minister had not disclosed the full cost of his new residence, saying it was "bigger than the palace" of Malaysia's king. And he accused Mr. Mahathir of "lying" about Mr. Anwar's record as deputy prime

He then theatrically put his hand over his mouth, saying, "Tomorrow, I think thev'll get me.'

In late September, Mr. Anwar, 51, appeared in court with a black eye, which he said was the result of a police

Onsted as Malaysia's No. 2 official on Sept. 2 and arrested two weeks later, Mr. Anwar was led into the courtroom just after 9 A.M. as hundreds of po-

licemen with automatic weapons, riot sticks and shields ringed the Moorish-style High Court building in central Kuala Lumpur.

About 200 people milled peacefully behind barriers well away from the court, apparently heeding warnings that the police would crack down on protests.

As his wife watched nervously, Mr. Anwar heard a prosecutor read off four charges of corrupt practices for allegedly obstructing a police investiga-tion of his sexual activities. Mr. Anwar has also been charged with five counts of

See ANWAR, Page 5

AGENDA

West Bank Pullout Is Delayed by Israel

Implementation of the Israeli-Palestinian security-for-land pact was stopped Monday, the day it was formally to have begun, but Prime Minister Benjamin Netanyahu and the Palestinian leader. Yasser Arafat, both insisted that the plan could proceed nearly on schedule.

Mr. Netanyahu said late Sunday that the accord would not come into effect until it was ratified by the Israeli cabinet and the Parliament, delaying the next promised withdrawal of Israeli troops from the West Bank. Page 6.

Angola Said to Agree To a Congo Pullout

KINSHASA, Congo (Reuters) — A U.S. official said here Monday that Angola had agreed to pull its troops out of the Democratic Republic of the Congo. "There will be a slow withdrawal, but everyone's trying not to make a lot of poise about it," said the official. It was not possible immediately to get confirmation from Angola.

Related article, Page 4.



BUILDING A PARTNERSHIP -- Prime Minister Tony Blair listening to Chancellor Gerhard Schroeder at a London news conference Monday. Mr. Schroeder signaled a wish for closer British-German ties. Page 4.

Glenn Is Doing Fine in Orbit Woes Stack Up for French Library Books Page 9. Page 10. Optinion . Pages 8-9. Pages 20-21. Sports

Charging Into the Hole

Americans' Spending Exceeds After-Tax Income

By John M. Berry Pashington Post Service

WASHINGTON -- Americans spent more money buying goods and services than they received in after-tax income in September, the first time that had happened in the 39 years since monthly figures were first published, the Commerce Department reported Monday.

The U.S. savings rate has been falling for years as households have increased their spending more quickly than their disposable, or after-tax, incomes were rising. They have been encouraged to spend so much by the soaring value of U.S. stocks, many analysts say. That socalled wealth effect has provided many individuals with capital gains, which are not counted by the government as part of current disposable income.

Stockholders may not have cashed in their gains, but as the value of their portfolios has increased rapidly, they have become comfortable spending more and saving less from their paychecks and other income, analysts say.

Americans often make purchases with credit cards — which provide instant loans and allow people to pay them off over time --- or by borrowing money

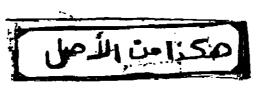
secured by increasing home values. In September, personal spending rose at a slightly higher rate than disposable income, resulting in a savings rate of minus 0.2 percent, the Commerce De-partment said. For the month, personal income ran at an annual rate of \$7.174 trillion. Taxes and certain other payments left \$6.055 trillion in disposable income, but spending totaled \$6.067 trillion.

The extremely low - or, in this case, negative — U.S. savings rate is one reason many forecasters say the country's economic growth is likely to slow in the next few quarters. With so little being saved, increases in consumer spending are unlikely to keep outstripping gains in disposable income, as they have for several years, the forecasters say. If spending grows only as fast as incomes rise — or less than that, if individuals decide to increase their savings rates — that will help limit overall

U.S. economic growth.

Meanwhile, the National Association of Purchasing Management said its survey of conditions in manufacturing industries showed that that sector of the economy contracted last month. The

See SPEND, Page 5



Impeachment Struggle **Leaves Voters Alienated**

The Midwest Really Doesn't Care,' One Says, As Local Issues Alone Push Them to the Polls

By Dan Balz and Richard Morin Washington Post Service

OAK PARK, Illinois - Everyone knows the next order of business in Washington, once the results of the midterm elections Tuesday have been digested: It's back to impeachment. But

John Hausmann begs to differ.
Mr. Hausmann, 53, is a Republican
who holds no brief for President Bill Clinton, whom he regards as a liar and who he says should be censured. But he has little confidence in the Republicans in Congress as they prepare for impeachment hearings this month.

"They have made it into such a polit-

ical issue that it has lost its interest and its substance to the rest of the country,"
Mr. Hausmann said. "The Midwest really doesn't care."

Gretchen Alvarez, 22, is the mother of two small children with another on the way. She says she believes Mr. Clinton committed perjury and deserves impeachment. But she says she distrusts the motives of the Republican-controlled House.

"They were against him to begin with, and they wouldn't care what he did, and they would still want to impeach him," she said, adding, "I don't think that it is right that they all ganged

up on him because they don't like what stands for."

Mr. Hausmann and Ms. Alvarez were two of 10 voters from the Chicago area brought together last week to talk about brought together last week to talk about the campaigns and the impending impeachment proceeding. They are not necessarily a cross-section of the conntry, and any group that small may not be representative of public opinion.

But their impressions of the president's behavior, the impeachment proceedings and the local and congressional election campaigns this year offer

sional election campaigns this year offer an insight into the breach between the nation's capital and the rest of the country that has been apparent from the start of the investigation into Mr. Clinton's relationship with Monica Lewinsky.

The election campaign had barely registered with the group of voters who gathered here in Oak Park. No national issues raised by the campaigns stirred them — although they saw unattended problems for the next Congress to tackle and they could not name anything the 105th Congress had done, other than to

launch impeachment hearings.
What motivation they had for voting came more from local concerns than

"I figure if I want to send a message, I will write a letter," said Dan Mc-



Chicago-area voters voicing their views of the midterm elections and the impeachment process in Washington. From right, John Hausmann, Larry Dorney, Michelle Specchio, James Palermo Jr. and Joseph Dreier.

Donald Jr., 23. a college student and part-time librarian. "But I don't want to waste my vote sending a message."

Mr. McDonald said Mr. Clinton

should be impeached. But he added: 'I'll vote for the right person for the right job. I consider myself a Republican, and the Republicans are saying to vote Republican to send a message, but I am not going to do that."

Rosemary Chronis, 58, a receptionist for an engineering company, planned to

"I am voting to voice my opinion really about the president," Ms. Chronis said. Her message: Don't impeach him. What these voters had seen of the campaign, largely through television commercials, had left them in a state of

disgust.
"They are hitting at each other, all the

send a message. She said she would vote for Carol Moseley-Braun, a Democratic senator who was fighting to save her negative things," said Larry Dorney, 26, an account coordinator for a company that produces multimedia and music products. He said voters cared about issues the candidates had failed to ad-

> Mr. Hansmann, a real-estate manage ment consultant who once served as mayor of another Chicago suburb, LaGrange, Illinois, said: "Most of us who come from the Midwest hope that there would be a big earthquake in the Capital Beltway and it would fall off into the ocean. There is a distrust of all politicians, what they have to say. It is a sad commentary to say that what we are doing as citizens is picking the best of the worst rather than the best of the best."

Joseph Dreier, 28, who works on a loading dock and lives in Chicago, had a different view of the campaign. He said he watched little television and got his information about candidates the oldfashioned way --- by listening to them at rallies or union-organized meetings. Mr. Dreier said he was surprised when others in the group characterized the campaigns as so much mudslinging.

"When they started talking," he said of the other members of the voter group, "I would think, 'Oh, boy, that's not what I heard.'" He said he had been impressed by several of the candidates he had heard speak and by the absence of mudslinging.

The group reflected public-opinion polls that show voters feeling good about the economy — an environment that normally helps incumbent candidates. Jobs go begging in the Chicago suburbs, and the voters said they had money to spend. But at the saine time, they said they feared the good economic times might be coming to an abrupt end.

"Don't disturb anything," pleaded Mattie Harvey, 40, who works for a temporary employment agency. "I am completely happy."

James Palermo Jr. But he added, "Either this is going to keep going good or the bottom is going to fall out, and all of a sudden we are going to be struggling."
Theresa Calligan, 61, a retiree, wor-

ried about changes in the economy and how they may affect one of her children who did not go to college.

'What are these kids going to do,'' she asked, "when they both have \$7- or \$9or \$12-an-hour incomes" and still cannot afford a typical home in the suburbs?
Michelle Specchio, 26, who manages a dentist's office, questioned the value of voting and said that for her, it was based on habit — her mother's habit.
"My mom makes me vote," she said.

In One Poll, **Democrats** Were Gaining In Final Days

By Dan Balz Washington Post Service

WASHINGTON -- Support for Democratic congressional candi-dates rose in the final days of the 1998 midterm election campaign. according to an independent poil The survey showed likely voters evenly divided between Republicans and Democrats in the vote for the House.

The figures represented clear improvement in the position of Democratic candidates since a similar poli was taken earlier in October. The findings suggested that neither party held a distinct advantage in the vot-

held a distinct advantage in the vot-ing Tuesday for every House sear. The Pew Research Center found that 46 percent of likely voters said they would support a Democrat for the House, while 44 percent said they would support a Republican? Two weeks earlier, 48 percent of likely voters said they favored the Republicans, while 43 percent favored Democrats.

The survey underscored the uncertainty that surrounded the election. The leaders of the Republican and Democratic congressional campaign committees — Representatives John Linder, Republican of Georgia, and Martin Frost, Democrat of Texas -- both predicted Sunday that their party would gain House seats. Normally, the party that holds the White House — in this case the Democrats - loses seats in midterm elections.

A month ago, Republicans were counting on significant gains in the Senate and House because of President Bill Clinton's problems. But Democrats have since rebounded, and predictions were scaled back. More than half a dozen Senate races remained competitive, including contests in New York, North Carolina, South Carolina, Wisconsin, Illinois, Kentucky, Nevada and California.

House Republicans announced a \$10 million advertising campaign last week, with some of the money used on ads that raised the issue of Mr. Clinton's behavior and, implicitly, the pending impeachment

inquiry.

The advertising represented a political gamble that appeared designed to energize voters leaning toward Republican candidates. But Mr. Linder said that Repub-

lican loyalists already were mo. Democrats and independents, and

that's who we are trying to energize," he said on an ABC news program.

The Pew survey of 1,714 registered voters was begun just as the

advertising campaign was begun, and concluded Saturday night. Andrew Kohut, who directed the survey, said the poll suggested there had been a negative reaction to the publicity surrounding the Republican ad campaign, but was not corclusive on that point.

Democrats gained among older voters, minority voters and voters in the East and West.

Stormy 'Whethers' Confront Voters

Referendums Range From Abortion to Casinos to Cigarette Taxes

By Sam Howe Verhovek

SEATTLE — For Washington state residents who step into their polling places Tuesday, deciding whom to vote

for may be the simple part.

The harder part is all the "whethers":
whether to ban most forms of statesponsored affirmative action; whether to approve the use of marijuana for medical purposes; whether to make it a felony to terminate "a fetus's life during the process of birth," and whether to raise the state's minimum wage and, for the first time in any U.S. state, require automatic increases in that wage tied to the inflation rate.

In California, voters have another dizzying array of choices, including a measure to expand Indian casino gambling that has sparked the most expensive campaign battle over a ballot nitiative in U.S. history.

in many other states, there are constitutional questions. Several states have 'miti-Equal Rights Amendment" meaи ранот гед gender-neurial language in their consti-tutions. South Carolinians will decide whether to remove a 103-year-old passage in their constitution that forbids marriage between a white person and a black person, a provision that the U.S. Supreme

Court has already ruled unenforceable. In South Dakota, voters will decide whether to change a technical oddity in that state's constitution that allows anyone as young as 2 years old to be elected governor. No toddler has ever managed to get elected to the post, but if voters agree, the official minimum age will be changed to the presumably more sen-

And in Oregon, voters will go to the polls to decide, well, whether they will

Blacklist Is Planned Over 'Air Rage'

LONDON (Reuters) — Airlines said Monday that they were drawing up plans for a blacklist of potentially violent passengers who would be banned from flights worldwide.

Calls for a crackdown have been prompted by 400 percent

increase in cases of so-called air rage by drunken and abusive passengers over the last three years. The British transportation

minister, John Reid, has called a meeting of British airlines on

Richard Branson, the owner of Virgin Atlantic Airways, said, "Airlines and holiday companies worldwide must act

Coffe Baum in Leipzig, the café-restaurant founded in 1720 that counted Schumann and Wagner among its customers,

together to ground for life anyone who acts violently."

ever go to the polls again. If Oregonians approve an initiative on the ballot, and

they are widely expected to do so, all future elections in the state will be conducted entirely by mail.

Exactly 100 years after South Dakota became the first state in the union to allow direct elections became the first state in the union to allow direct citizen lawmaking through a process generally known as "initiative and referendum," voters around the nation face many such measures this week, with the hattles around some of them so intense that they have generated at least as much attention as congressional races.

All told, citizens in 16 states will decide on 61 such initiatives Tuesday, while more than 170 other measures will deal with constitutional amend-ments and bond issues, according to the Initiative and Referendum Institute, a nonprofit organization based in Washington that tracks the measures.

About half of the 50 states - most of them west of the Mississippi River, where strong populist movements have pushed for the right of citizens to make laws — have some method for getting

Over the last 100 years, initiatives have been used to advance a disparate collection of causes, including women's suffrage, freezes on nuclear weapons and term limits for public officeholders.

And while experts disagree on whether liberals or conservatives are more likely to push their causes through initiatives, there is ample evidence that both see it as an important strategy tool.

"Looking across the board, there's no way you can say whether the process is used more by the right or the left," said M. Dane Waters, president of the Initiative and Referendum Institute.

Across America, the most controversial and closely fought initiatives this year include the gambling measure in

TRAVEL UPDATE

California and another measure there, promoted by Rob Reiner, the actor, that would raise tobacco taxes by 50 cents a nack and designate the proceeds for children's programs.

Measures to restrict the late-term procedure that abortion opponents call partial-birth abortion" are also being fiercely contested in Washington and Colorado. Voters in both states are being asked whether to criminalize the rarely used procedure, but abortionrights advocates say the term "birth" is so vaguely defined that the measure could be used to impose much greater restrictions on abortion in general.

Voters will face a measure to make physician-assisted suicide legal in Michigan, the home state of Dr. Jack Kevorkian, who has attended more than 120 suicides. Dr. Kevorkian opposes the measure as too restrictive.

In Washington, D.C., and Washington state, Oregon, Nevada and Alaska, voters will be asked whether to approve the use of marijuana for medical purposes. Such measures passed in California and Ari-ט סעען עו ב implementation by federal lawsuits.

While supporters say the drug is a highly effective way of alleviating pain for those who are ill, the federal govemment has come out against the mea sures. Barry McCaffrey, the chief U.S. anti-narcotics official, solicited letters of opposition to the measures from former Presidents George Bush, Jimmy Carter and Gerald Ford, and last week Mr. McCaffrey denounced proponents of the ballot measur

"Let's have none of this malarkey on marijuana smoking by cunning groups working to legalize drugs," the former army general said. "American medicine is the best in the world for pain

reopened Monday after a seven-year, \$5 million renovation. A coffee museum will open on the site in January. (AP)

on a demand for the hiring of more full-time workers. (AP)

Brit-Air cabin crew members began a two-day strike on Monday over pay and working conditions, and union officials at Roissy-Charles de Gaulle International Airport in Paris said

The Anglo-American Press Association of Paris will gather in memory of Aline Mosby, American journalist and longtime Paris resident, at La Maison France-Amérique, 9-11 avenue Franklin Roosevelt,

Colleagues and friends from many countries will celebrate her life and friendship with reminiscences. Non-members of the Association

Paris 8, at 7 p.m. Thursday, November 5. She died

who knew her are also welcome. For reservations,

please call Elisa Kitson in Paris at 01 44 09 76 47.

and staffing on Paris-area public transportation.

four fights had been canceled.

in California in August.

The Eiffel Tower, the most visited monument in Paris, was closed for a third day Monday, with strikers refusing to relent

Two out of three Paris Metro lines were working at rush hour Monday, and buses ran with only minor inconveniences despite a 24-hour strike by unions seeking additional security

Gore's Stump Style: Partisan Zap With Rhythm and Rap

NEW YORK -- Vice President Al Gore first tried out a tepid version of his signature 1998 campaign riff a month ago, and has been tweaking it ever since. By the time he showed up Sunday in the Bronx, New York, he was belting out the latest version of his rap on Republicans in a throaty roar.

"We say legislate, they say investigate," he beliowed to the out-door raily. "We say educate, they say interrogate. We say illuminate, they say instigate. We say unify, they say vilify. We make the tough decisions, they take depositions. We find real solutions, they launch prosecutions. We know our future's nearing, they want to hold more hearings."

Rowdy campaign rhetoric is not musual on the brink of Election Day. But the vice president's sprint from New York to Wisconsin to put on increasingly bold display all year. Gore the Partisan Warrior.

Representing a president who of-ten extols the virtues of bipartisanship and compromise, the vice president this season has taken the battle to Republicans in strikingly

harsh language.
Mr. Gore's stump style reflects his personality. The vice president, according to many people who have worked closely with him, approaches politics with a streak of intellectual and moral righteousness that leads him to frame issues in starker terms than the accommodationist president he serves.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather

"To me, it is more of a chore."

North America Chilly, but meinly dry from the Northeast and the Ohio Valley drough the Aldwest and the Plants. Culte cold in the northern Great Lakes region with shower of rain and snow possible. Europe Cold across Europe Chrough Friday Issas will be with a few shower

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At 77, America's Oldest Astronaut Is Also Its Most Exuberant | By Kathy Sawyer | Washington Post Service | Washington Post Service | Washington On Glenn has spoken exuberantly from orbit in a high| Washington or orbit in a high| The ages of or Crim at the age of 81, asked Mr. Brown whether if east like, I must admit. The flight, which is sched he has been sleeping well, he said, though not as much as he did on the ground. The age of the conference from the loguacious Mr. Glenn. Waster Cronkite, reporting a couple of times to see what it feels like, I must admit. The flight, which is sched he has been sleeping well, he said, though not as much as he did on the ground. The age was easier weightlessness, he said, the weightlessness, he said, the weightlessness, he said, the weightlessness, he said, the weightlessness is a sked Mr. Glenn whether life asked Mr. Glenn whethe

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The news conference from asked Mr. Glenn whether life pains, Mr. Glenn said. In cians stuck on Earth must
Discovery, as it whipped in weightlessness was easier or harder than on Earth. "It's spine can stretch an inch or harder than on Earth. "It's spine can stretch an inch or harder than on Earth."



Away From Politics

 A man stopped for speeding in Shelby County, Tennessee, was arrested for the murder of four people after sheriff's deputies searched his car and found a pistol and credit cards belonging to the victims. (AP)

 Rain-swollen rivers poured over their banks during the weekend, swamping communities in Oklahoma and Kansas. where about 900 people were evacuated. (AP)

• Part of the campus of the New Hampshire Technical Institute in Concord was evacuated after a bomb threat. (AP)

 Hydraulic problems forced an AirTran jet to return to Atlanta for an emergency landing. Eleven of the 105 passengers were slightly injured. AirTran changed its name from Valudet after a crash in the Florida Everglades killed 110 people in 1996. (AP)

POLITICAL NOTES

Political Activism in Cyberspace

NEW YORK — Until they declared "Netwar" against the Mexican government, Ricardo Dominguez and Stefan Wray earned their activist credentials the old-fashioned way, attending rallies in support of the Zapatista rebels, handing out pamphlets, shouting political slogans. Now, the two New Yorkers organize "virtual sit-ins" and recruit computer programmers to attack the World Wide Web sites of any person or

company they deem responsible for oppression.

Mr. Wray, 37, and Mr. Dominguez, 39, are co-founders of the Electronic Disturbance Theater. It is one of several groups around the world that are beginning to experiment with computer hacking, so far largely nuisance attacks and the equivalent of electronic graffit, as a means to a political end.

"We see this as a form of electronic civil disobedience,"

Mr. Wray said.

The rapid growth of the Internet has transformed what was once a hacker playground into a far-reaching political platform. In recent months, groups as diverse as the Animal form. In recent months, groups as diverse as the Animal Liberation Front, a militant animal-rights group, Radio4All, which supports pirate broadcasting, and international teams of teenagers with cyber pseudonyms like Milworm and causes the terrational teams of the anti-imperialism have increasingly begun pumping political protest through the Internet's security holes.

Judge Finds Leaks by Starr Team

WASHINGTON — A federal judge has ruled that 24 news accounts about the investigation of President Bill Climton appear on their face to show that prosecutors in Kenneth appear on their face to show that prosecutors in Kenneth starr's office repeatedly and knowingly violated federal rules by leaking grand jury testimony or other secret information. In the ruling, made in September by Judge Norma Holloway Johnson of U.S. District Court but only unsealed Friday, the index also said that an investigator selected by her to look into

judge also said that an investigator selected by her to look into the matter had the power to seize and examine the prosecutors' telephone records and logs along with their appointment calendars, memorandums and other documents to determine whether they disclosed information to the press.

Indge Johnson kept secret the name of the investigator, known as a special master. She said that if the special master found instances of improper leaks she could hold members of the independent counsel's office in contempt or order other sanctions. It is unlikely, however, that even if sanctions were imposed they would affect the results of Mr. Starr's in-

CAMPAIGN: Many Close Races

Continued from Page 1

beginning of the scandal, an of blacks who did last year, electorate generally satisfied with the country's state of peace and affluence has given ical and Economic Studies.

Thigh marks to Mr. Clinton's Aware that several close

Today CNN-Gallup Poll that in the thought Democrats could best assure the nation's conbest assure the nation's continued prosperity; 37 percent mought Republicans would could have on the black That survey also found "most Americans feeling better about addressed congregants at a the state of the nation and its mainly black Baptist church economy than on any election in Baltimore, where he said:

ever in the last decade," with

"I have done everything I President Clinton's job approval rating at 66 percent.

Mr. Clinton, since issuing a turn. Take it." series of public apologies for his relationship with Ms. Lewhisky, a former White House them, has sought to project the image of a president hard goals as building new schools 'at work on "the nation's basiness," a favorite phrase of his wage. With a low turnout, he encompassing everything cantioned, "we have people from budget negotiations to education reform to the effort sible and squander the surplus to secure a Middle East and risk our economic pro-

Yet, Mr. Clinton clearly is which his political fate is their current majority of 32 of bound to the complexion of the 50 gubernatorial seats. the next Congress, and to the Democrats are given a good way in which that makeup will chance of regaining the top be determined by the extent of office in California, where voter participation Tuesday.

Turnout normally is low in elections when the presidenis not at stake - probably wer than 4 in 10 eligible voters will go to the polls have worked hard in recent shape up. Vice President Al days to mobilize their most Gore, the likely Democratic

reliably loyal voters. insky scandal, Mr. Clinton's Texas, a possible Republican strongest core of support has been among blacks. Eighty- re-election easily.

five percent of black voters now rate his job performance In surveys, fewer than I in as excellent or good, well 4 voters said the Lewinsky above the 48 percent of whites who do, and significantly more even than the 60 percent according to a recent survey by the Joint Center for Polit-

races around the country -In one survey, 46 percent of notably senatorial contests in Nikely voters told a USA New York, Indiana, South

vote, Mr. Clinton on Sunday could to bring this country together. Tuesday it's your

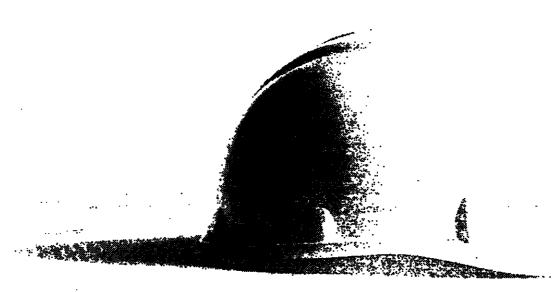
A strong black turnout, Mr. Clinton said in a radio interview, could help elect more Democrats to pursue such

In state races, Republican not oblivious to the way in are expected at least to retain Governor Gray Davis a lead over the state attorney general,

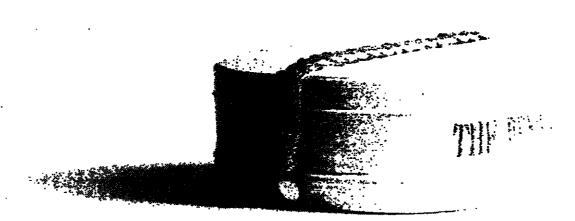
Dan Lungren, a Republican. The recent campaigning has provided a look at the way the presidential race in 2000 could

reliably loyal voters.

Throughout the months of campaigned with vigor.



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EUROPE

Schroeder Paves Way For Closer British Ties

Chancellor Praises Blair Policy in U.K. Visit

By Tom Buerkle

LONDON - Chancellor Gerhard Schroeder signaled a clear desire for closer relations between Britain and Germany during a visit here Monday, praising the Labour government's efforts to prepare Britain for eventual entry into the euro zone and saying that Prime Minister Tony Blair had much to offer Europe on economic and social policies.

Mr. Schroeder, whose recent election campaign drew inspiration and strategy tips from Labour's rise to power in 1997, made no attempt to disguise his interest in Mr. Blair and his attempt to define a "third way" between unfettered capitalism and old-fashioned socialism.

He said it was "not a coincidence" that his first foreign trip since becoming chancellor last week had taken him to London, and he agreed to the establishment of a cabinet-level, British-German working group to study ways of combining a competitive market econ-

omy with compassionate social policies. Mr. Schroeder also welcomed an announcement Monday that the Blair government would draft a plan to enable big British companies to use the euro next year and prepare the country for the possible adoption of the currency early in the next decade.

"I think it is an extraordinarily clever approach that the Blair administration has adopted to this topic," Mr.

Mr. Schroeder also defended comments he made over the weekend calling on the Bundesbank to be more supportive of economic growth, a thinly veiled request for lower interest rates.

He said he had no intention of challenging the independence of the German central bank, or its successor, the European Central Bank. But he insisted that government had an important role to play in setting economic policy and was depending on growth to bring down Germany's double-digit unemployment

There is a discussion in Germany about interest rates, how high or low they should be," he said. "A public debate of this nature must be feasible." He won support on this point from Mr. Blair, who said it was "perfectly natural" to debate the level of interest rates without calling into question cen-

tral bank independence. Mr. Schroeder also said that Germany stood alongside the United States and Britain in demanding that Iraq resume full cooperation with United Na-

tions weapons inspectors. But he appeared to distance himself slightly from American threats to strike unilaterally at Iraq, a threat Mr. Blair appeared to endorse when he said Britain was 'ready to take whatever means are necessary" to ensure lraqi compliance with UN inspections.

Mr. Schroeder said, "We are not talking about a conflict between the United States and Iraq, by no means." Iraq has violated an international agreement, he said, adding. That is why Germany strongly supports declarations of the

UN Security Council."
Mr. Schroeder's coalition partner, the Greens party, has agreed to support the use of German troops outside NATO territory only under a UN mandate.

But more than any policy pronounce-ments, the importance of the visit Monday, which included two and a half hours of talks and a working dinner at No. 10 Downing Street, appeared to lie in building the personal relationship be-tween Mr. Blair and Mr. Schroeder, which on the surface was strong.

Mr. Schroeder enthused about the "spontaneous, open and fresh attitude" of Mr. Blair and his officials. "I personally find it really great being here,"

The chancellor was at pains to say that British-German cooperation "is certainly not directed against any-He added - apparently to soothe French concerns that he might be seeking to downgrade the long-standing French-German partnership — that im-proved ties with Britain would not jeopardize relations with Paris.

Rau Is Nominated for President

The leadership of the governing Social Democratic Party on Monday nommated a veteran politician, Johannes Rau to be Germany's next president, ending debate about a woman possibly becoming head of state. Agence France-Presse reported from Bonn.

The postwar West Germany and reunified Germany have had seven presidents, all men. Women in the governing party had said it was time for one of them to be named, but Mr. Rau, 67, the Social Democratic candidate in an unsuccessful campaign to replace Helmut Kohl as chancellor in 1987 and a former governor of the state of North Rhine-Westphalia, prevailed.

A Federal Convention is to elect a successor to President Roman Herzog in May. The Social Democrats and the Greens have a majority in the conven-



Prime Minister Tony Blair and Chancellor Gerhard Schroeder adjusting earphones at a news conference Monday in London. Mr. Schroeder said Mr. Blair's economic and social policies had much to offer Europe.

Woes Stack Up for New French Library

PARIS - France's new national library, the most controversial and costly of the public monuments ordered by François Mitterrand when he was pres-

ident of France, is shut. For 11 days, striking employees have blocked the entrance to the Bibliotheque François Mitterrand, the 20-story building that opened on Oct. 9 after its final section went into operation.

A bug in the computer system has also shut operations inside the library, nicknamed the TGB for "Tres Grande Bibliotheque." or Very Big Library. "The big library, the big failure," blared the headline on the front page of

the newspaper Liberation on Saturday. Overlooking the Seine in the east of Paris, the \$1.5 billion structure was de-

LONDON - The British tycoon

Richard Branson and Steve Fossett, a

Chicago businessman, provided de-

tails Monday of their planned joint

attempt to make the first around-the-

from Marrakesh, Morocco, sometime

after Nov. 20, weather permitting.

Mr. Branson, who has made three

failed attempts, said the latest bid

quest - plan to launch their balloon could take off.

world balloon flight.

Balloon Partners Detail Plans

The pair - former rivals in that his balloon off its moorings before he

offered the two their best chance of hands," Mr. Branson said. "There are

completing a global flight and that some very serious contenders. But we they had learned from the "embar-feel that we have a very good shot."

signed by the architect Dominique Per-rault. "French folly" was one of the milder epithets for his concept of the four glass, book-like towers at angles on a 7.5-hectare (18.5-acre) plot around a garden of trees.

But about 800 of 2,200 employees are now on strike, complaining about what they term the inhuman aspect of the gargantuan structure.

They will stay out at least until Tuesday, denouncing what they say are threats by the president of the library, Jean-Pierre Angremy, to get them back

The strike began after computer glitches marred the opening of the research building's garden level. Many visitors had to wait hours before their books were found and brought to them.

Mr. Fossett almost died last August

when his balloon plunged into the

South Pacific when it was caught in a

thunderstorm. Mr. Branson's last at-

tempt to fly nonstop around the world

hit trouble when a gust of wind ripped

In their new attempt, Mr. Branson and Mr. Fossett will be challenged by

"We have a big race on our

four other ballooning teams.

Mr. Angremy, who had expected a six-week iron-out-the-wrinkles period, admitted that "the shock created by the first computer glitches was difficult for everyone to deal with, both researchers

2,000 researchers, in addition to the public, "are not resolved."

plumbing leaks and treks through long corridors with books whose formats do not fit into the automatic transport sys-

The almost luxurious spaciousness for readers contrasts with the cramped space available for staff members. Mr. Stasse called the difference "regrettable," but added that "it is too late to change the building's actual structure' to 'reduce the distance between the towers and bring daylight into the dark

Another dispute centers on the li-

Reducing the opening hours would be "a symbolic and practical catastrotwo historians, Jacques Julliard and Pierre Nora, told the daily newspaper Le Monde. The library has an annual budget of

According to the library director, François Stasse, the problems with the system, designed to register the comings and goings of 11 million books and

As for the building itself, strikers' complaints include windowless offices,

mooms."

brary's hours: It is closed to the public on Mondays and closed to researchers on Sundays. Mr. Angremy has suggested closing the building entirely on Mondays until the end of the year.

But researchers want the library to be

open seven days a week.

BRIEFLY

2 Islamist Attacks Foiled, Turkey Says

ISTANBUL — Turkey said Monday it had detained 23 militant Islamists who planned to crash an aircraft packed with explosives onto the mansoleum of Mustafa Kemal Ataturk, founder of the secular state, during national celebrations.

The Istanbul governor, Erol Cakir, said the suicide attack in Ankara had been planned to coincide with festivities last Thursday marking the 75th anniversary of the republic. A second operation, to seize a major istanbul mosque and "fight to the death," had been planned for the next day.

Police displayed sticks of dynamite, rifles, revolvers, ammun tion and Islamic green flags at Mr. Cakir's news conference. (Reuters)

No Brake Failure In Diana's Death

PARIS — The Gendarmeric gave an investigating magistrate a report Monday that rules out the chanical failure in the crash that killed Diana, Princess of Wales, sources close to the investigation

The findings of the report, leaked to the press last month before it was given to Judge Herve Stephan, an-caused by drunken driving at high

A spokesman for the paramil-itary Gendarmerie confirmed press reports that 13 months of tests at the Criminological Research Institute found no evidence of sabotage or of faulty brakes or air bags. (Reuters)

Swedish Death Toll In Fire Rises to 62

GOTHENBURG, Sweden — After clinging to life for three days, two youths trapped in a dance hall fire died early Monday, bringing the death toll in the inferno to 62. With 17 more people still in in-

tensive care, the toll could rise. The dead, as young as 12 and none older than 20, were among an estimated 400 people who were at a disco dance in a rented second-floor hall when a fire broke out shortly before midnight Thursday. (AP)

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Rebels Share Only a Goal: Oust Kabila

By Ian Fisher

GOMA, Democratic Republic of the Congo - There is not much in their résumés to unite the leaders of the threemonth-old rebellion in this huge, and hugely combustible, nation at Africa's

Some are academics, exiles or idealists with ties to the United States. Some are disaffected army commanders with their own ties to neighboring countries. Some, like Kin-Kiey Mulumba, a dapper rebel in a charcoal suit, served the enduring dictator, Mobutu Sese Seko, then fled the capital last year when a new leader, Laurent Kabila, rolled into

"I crossed the river in a canoe." Mr. Mulumba, 48, said, sounding pleased with himself. "Since that day, I've been fighting Kabila. I think I was the

Their only clear bond is a common goal: that Mr. Kabila, whom they accuse of becoming yet another dictator, must

go.

The question many Congolese, as well as other nations watching nervously, ask is whether this hodgepodge of men, with divergent histories and alliances, can make good on a promise that has rarely been delivered in post-colonial Africa: to establish the kind of representative democracy they claim to support. The question becomes especially sharp given that many of the rebels this time fought alongside Mr.

Whatever the answer, the rebels have set into motion a struggle that many experts say is widening into a major regional conflict as Congo's neighbors have taken sides and sent in troops since the rebellion ignited in August.

On Sunday, a delegation of American officials, led by Susan Rice, assistant secretary of state for African affairs, left the capital, Kinshasa, after two days of talks aimed at heading off what Ms. Rice recently warned could become Africa's first world war."

It was not immediately clear if the visit produced any results. But her trip came after several weeks of stepped-up into Congo, then known as Zaire, to tential mediators in the conflict.

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Herald Eribune

action, most of it favoring the rebels, who now claim to control vast swaths of territory housing about 20 million of Congo's roughly 50 million people. Two weeks ago, they captured kindu, a key garrison town for Mr. Kabila that helped firm their grip on eastern Congo. Then one of Mr. Kabila's closest allies, President Robert Mugabe of Zimbabwe, sent in several thousand more of his own sent in several thousand more of his own combat troops to fight the rebels.

"We are going east," Mr. Mugabe announced grandly as the rebels, known as the Congolese Rally for Democracy, appeared poised to move toward the diamond mines near Mbuji-Mayi. In addition to Zimbabwe, Angola, Namibia and Chad have officially sided

with Mr. Kabila, with varying degrees of involvement. On the rebels' side, Rwanda and Uganda, which directed the rebellion in 1996 and 1997 and helped propel Mr. Kabila to power, are widely assumed to be playing a major role in the fighting, although each country bas

The United States has called for the withdrawal of all foreign troops in Congo, and Ms. Rice is trying to find terms for a cease-fire, even though Mr. Kabila has refused so far to speak with

A nation that is potentially one of Africa's richest — its soil runs deep with diamonds, gold, copper and cobalt

— Congo was ruled and wrecked for 32 years under Marshal Mobatu's dictatorship. Its politics are spectacularly complicated, in part because its borders are a gathering ground for rebels fighting to overthrow other governments. including those of Uganda, Rwanda, Angola and Sudan. So each of those countries has a strategic interest in Congo's rebellion.

When skeptics both inside and outside of Congo talk about the rebels. based in this former resort town beside Lake Kivu on the Rwandan border, many argue that who they are is largely

Critics claim the insurrection is actually being directed by Uganda and Rwanda, as it was last time, when the armies of those two countries moved bia and South Africa for talks with po-

people's trust.
"We are going to win because our cause is just," said the rebels' military commander, Jean-Pierre Ondekane, 36, who was a top military aide to Mr. Kabila. He said the Rwandans and the

Ugandans were interested only in their own borders. This struggle, he said, is about overthrowing Mr. Kabila, who he said never delivered on his own promises of making Congo a democracy. So far, the rebels have painted their vision largely in general terms, saying they want free elections, educational

reform and a government that rules Congo's diverse regional and ethnic groups with fairer representation.

This is something every said wanted to have happened! after Mr. Kabila first came to power, said Jacques Depelchin, 56, one of the top rebel leaders and a professor of African history

who has taught at the University of California at Berkeley. But most rebellions promise much the same thing, and the Congolese, as well as outside observers, are looking for clues to what these rebels stand for

and who, precisely, they are But that is proving difficult: It is unclear exactly who is in charge of what they call their "collective" leadership. The official head is Ernest Wambe, a 56-year-old academic who went to college in Michigan and whose wife still has relatives in Description.

Mr. Wamba, who taught for many years in Tanzania, had been imprisoned twice by Marshal Mobutu.

A question mark hovers over Mr.

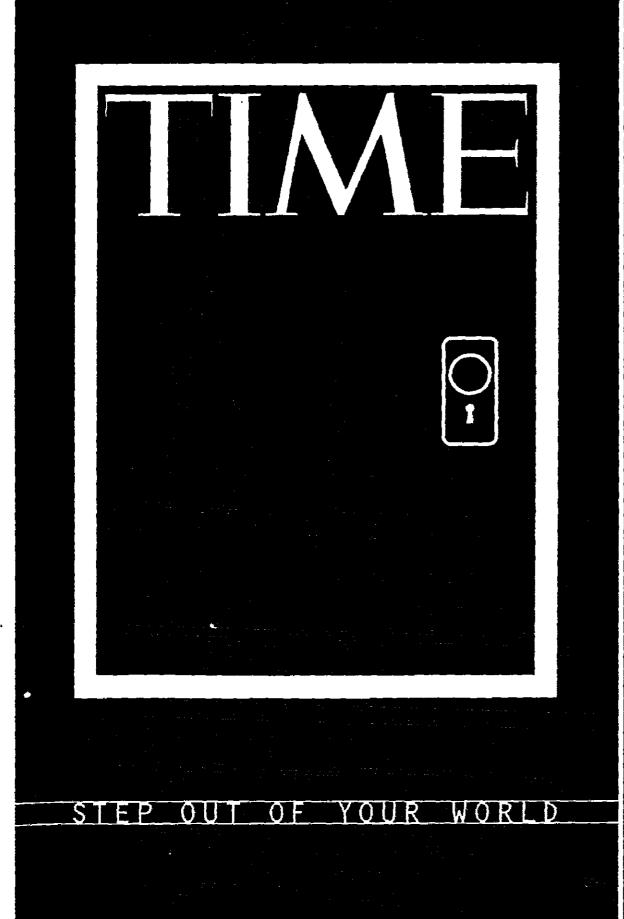
Wamba's influence: Some observers, both in and outside of the rebellion, say

that his role as president is largely ceremonial. But last week he visited Zam-

Other prominent members include: Arthur Z'Ahidi Ngoma, a former Unesco official who had been an outspoken Mobutu opponent: Bizima Karaba, Mr. Kabila's former foreign minister who was trained as a doctor in South Africa: and Lunda Buhilu, a former prime of tister under Marshal Mobutu who last joined the opposition

In an interview here at Marshal Mobuto's former summer villa, Mr. Bu-lulu laid down two ways people could judge the rebellion: how the rebels act in the territory they control and the record of their leaders of their leaders.
"We have people who have a repu-

tation for keeping their promises, he



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BRIEFLY

Collapse at Temple Kills 5 in Thailand

BANGKOK - Five Thai

Buddhist worshippers were killed and dozens injured Monday when

three giant ceremonial joss sucks col-

lapsed at a temple near Bangkok, the

which were 24 to 27 meters tall (79 to 88 feet) and made from thousands

of smaller joss sticks bundled to-

gether, crumbled under their own

weight after they had been soaked

by heavy rain overnight.

Hospital officials said about 12

victims were treated at hospitals in

the area. They were among more than

1,000 Buddhists attending a religious

ceremony at the Phra Pathom Pagoda, 58 kilometers (36 miles) north-

west of the Thai capital. (Reuters)

police and hospital officials said. The police said the joss sticks.

Chen Lingjun and her 5-month-old son at a family planning center in Shanghai, where women no longer need approval to have their first child.

China Relaxes 'One Child' Controls

In Some Areas, an End to Pregnancy Quotas and Strong-Arm Tactics

By Elisabeth Rosenthal New York Times Service

BEUING - China's family planning administration, notorious for the harsh rules and punishments it deploys in its quest to limit births, has quietly started urging its workers to soften their approach, hoping to improve its often tense

relationship with Chinese women. In a small but rapidly increasing num-ber of counties, officials say they have eliminated the onerous system of permits for pregnancy and quotas stipulating how many children can be born in a year, giving women far greater choice in deciding when to have a child and somewhat more leeway in deciding how many children to have.

The ultimate aim is still to control this vast country's population growth, yielding families with one child in the cities and generally two in rural areas. But officials say they now hope to achieve that end not by fiat and coerced abortions, but through a broader women's-health system that discourages large families through patient education, contraceptive choice and heavy taxes for couples who choose to have an additional child.

"We are expanding our programs and changing our attitudes," said Cong Jun, a director-general at the State Family Planning Commission. "We want to change from an administrative program focusing on numbers to more of a ser-

vice-oriented approach." Just last week, the commission issued regulations prohibiting grass-roots family planning workers from forcing women to undergo abortions or sterilization, although officials contend such coercion

is rare. The new-style approach, which was officially first tried as a furtive experiment in six counties several years ago, has not affected the vast majority of Chinese women - most do not know it exists. But dozens of similar programs have taken root across the country in the last 18 months, with at least the tacit

support of the commission. There has been a big change in approach and these kinds of changes have been expanding rapidly," said Tu Ping.
a professor at Beijing University, who

has urged change.

The move marks the first time the system's overseers have sanctioned relaxing the core controls since the One Child Policy was adopted in 1980, although some women have long skirted regulations by having unapproved chil-dren and some local officials have tol-

But the move is a relatively small experiment in a country of 1.26 billion. and many obstacles remain, from dissent among high officials to the ingrained habits of local family planning officials

accustomed to strong-arm techniques.

A 29-year-old Communist Party

member and hospital administrator from southern China, who spoke on the condition that she be identified only by her surname, Zhang, said that less than two years ago family planning officials at her workplace stripped her of her job, halted her paychecks and held her down for a pelvic exam to check her fetus's age after asserting that she had become pregnant before obtaining her permit to have her one and only child. She said a shift in

approach would be welcome. 'I think that if these policies can be implemented it would be better for all of she said. "It would be a big improvement for Chinese women.

In recent years, the family planning system has increasingly seemed to be an anachronism. High-powered couples who choose jobs and buy homes and travel the world are thrown back into a Mao-era time warp when they want to have a child, which in most places still requires permits from the local government and a woman's employer before pregnancy can occur.

Women can be turned down if their

company or neighborhood has exceeded its annual quota of births. And couples who dare to have a child without permits, or — worse — an illegal second child, can face heavy financial penalties, job loss and, in some cases, police detention.

In areas with the new family planning programs, there has been change In Shanghai and the wealthy seaboard re-gion of northern Zhejiang Province, women no longer need approval to have their first child. Some districts in Beijing are experimenting with this system, and Miss Cong said the whole capital would probably adopt the change.

A number of family planning clinics are undergoing makeovers so that dreary offices whose primary function used to be inserting IUDs and performing tubal ligations or abortions are offering an expanded range of services from wideranging contraceptive counseling to support for breast-feeding mothers.

Also in these zones, officials empha size that people who are technically allowed only one child, generally city dwellers and rural residents with a son, may have a second without fear of punishment. They simply pay a "family planning fee" to cover the cost of an additional citizen.

Officials here say that having an extra child has never really been regarded as a crime and that the payments are not fines," as they were commonly called in the past. That may be news to people like Qu, a farmer in rural Hebei Province who spoke on condition he be identified only by his surname. He said he was detained for a week by the public-security bureau two years ago after his son had an unapproved second child.

But where the new system has taken hold, the tenor of family planning has

changed. Chen Lingjun, a 29-year-old who had brought her 5-month-old son into the Tianlin subdistrict family planning center in Shanghai to have a small scrape on his head checked, said: "I think I'd "He is politicizing the trial. But it is the time comes, if we really want another

complete the move until he was satisfied

that the United States was ready to give

European officers more substantial com-

France suggested three years ago that

liance's southern command, which

would control the U.S. Sixth Fleet in

wartime, but the United States refused.

China Pay Protest Leads to Arrests BEIJING - Several organizers of a protest by 500 steelworkers that ended in a melee with the police and left four people seriously injured have been arrested, a local official said Monday. The workers blocked railroad lines in Jiangyou, about 1,350 ki-lometers (850 miles) southwest of Beijing, on Oct. 21 to protest not being paid for three months, an official at the Fujiang Steel Works After more than four hours, police in China's Sichuan Province were ordered to cispel the protest.

> the resulting cash, four of them badly enough to require intensive care, the official said. Karachi Conducts

About 10 protesters were injured in

Search for Activists KARACHI, Pakistan -- Paramil-

itary troops and the police searched door-to-door Monday, arresting at least 70 people believed to be behind the violence wracking this

A citywide police crackdown began Friday after Prime Minister Nawaz Sharif dismissed the Sindh provincial government and imposed federal rule.

He accused his former coalition partners in the provincial govern-ment, the Muttahida Qaumi Movement, of harboring the killers of Hakim Said, a prominent physician and vocal critic of the movement. More than 200 people have been arrested since Friday.

For the Record

China said Monday that it had the South Pacific kingdom of Tonga. The announcement had been expected. Taiwan severed ties Saturday with Tonga, the fourth country to switch diplomatic recognition from Taipei to Beijing this year.

India said Monday it would release 148 Pakistani fishermen from its custody before talks this week on improving relations between the two countries. New Delhi's move reciprocated Islamabad's announcement last month that it was releasing all Indian fishermen and fishing boats held in Pakistan as "a gesture of goodwill."

ANWAR: He Starts Trial With an Attack

Continued from Page 1

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PARIS

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The Gentle

sodomy, for which he will be tried later. He has pleaded not guilty to all charges.
The trial has ratcheted up the tension in Malaysia, where Mr. Mahathir has come under fierce public criticism for

his treatment of Mr. Anwar. Even in the dock Monday, Mr. Anwar seemed to be campaigning for the support of Malaysians and the international

community.

He denied suggestions that he was opposed to a salary increase for civil servants and he sought to distance himself from a government-orchestrated bailout of a big Malaysian conglom-

SPEND: Americans Over Top

Continued from Page 1

latest reading for its index of conditions fell to 48.3 points from 49.4 in September. It was the fifth month in a row that the index was below 50, a level at which the manufacturing sector is considered to be shrinking. The index, which is based on reports from purchasing managers in indexes covering new orders, production, employment and inventories. The index fell primarily because of a sharp drop in new orders, the association said.

Manufacturers have been hit hard by the decline in U.S. exports that began with the Asian economic turnoil more than a year ago. Last month, the index for strategy while Mr. Anwar preferred a export orders fell to 42 from 45.8, an more global approach. As Mr. Anwar export orders fell to 42 from 45.8, an indication that exports probably will contime to decline in the next few months. In another sign of that unused pro-

duction capacity is increasing in the United States and elsewhere, purchasing managers said the prices their companies were paying for materials and components had continued to fall rapidly. The index for prices paid actually rose slightly, to 35.8 from 34.4 in September, our such a row level ameans that most companies are paying ever lower prices.

The beauty, the printed limited for leak of information about planning for our his deputy, saying that he was unfit to

erate, saying that Mr. Mahathir had lied about his role in it.

Based on the first day, Mr. Anwar could face a rough ride in the trial. The judge, Augustine Paul, rejected a request by Mr. Anwar's lawyers that officials from Amnesty International and Human Rights Watch be granted observer status, which would have given them prefer-

ential seating in the court.

And the judge turned away a motion to throw out the case because Mr. Anwar was being prosecuted under a Malaysian ordinance that is about to be repealed.

If he is convicted on any of the four counts, Mr. Anwar could be imprisoned for up to 20 years.
With world leaders, including Pres-

ident Bill Clinton, converging on Kuala Lumpur in two weeks for the annual meeting of the Asia Pacific Economic Cooperation forum, fears about Malaysia's unrest are likely to intensify.

That Mr. Anwar would publicly de-

nounce Mr. Mahathir on the first day of his trial illustrates the extent to which this case is part of an epic power struggle between two men who have dominated Malaysian politics. Mr. Anwar was once Mr. Mahathir's protégé, doted on by the 72-year-old doctor who has been Malaysia's prime minister since 1981. Mr. Anwar, a suave

intellectual and author of a book, "The manufacturing companies across the intellectual and author of a book. Manufacturing companies across the Asian Renaissance," was Mr. Manufacturing a companies of separate subhathir's anointed succe portfolio as deputy prime minister and finance minister. But as the Asian crisis devastated Malaysia's economy, the two men

clashed over economic policy --- with Mr. Mahathir favoring a staunchly nationalist became more bold, he went from being a protege to a rival and, finally, an enemy.

On Sept. 1, Mr. Mahathir abruptly imposed sweeping controls on Malay-sia's capital markets over the strenuous objections of Mr. Anwar. The prime minister also scuttled his deputy's economic program, which had relied on a strict regime of the type championed by the International Monetary Fund.

The next day, the prime minister forced



Anwar supporters gathering near the High Court on Monday for the trial.

be the leader of Malaysia. Rumors that Mr. Anwar had had extramarital affairs with women and men had been simmering for several months and, after Mr. Mahathir dismissed Mr. Anwar, the prime minister said be believed the rumors.

Mr. Anwar insists that the allegations about sex are a pretext to remove a potential rival. In particular, Mr. Anwar's aides say that the charges of homosexual duct were designed to destroy him politically, since homosexuality is taboo in Muslim countries like Malaysia.

Since his arrest, however, Mr. Anwar has only grown in popularity. He has rallied tens of thousands of

Malaysians, who have marched through the streets and called for the resignation of Mr. Mahathir, who led Malaysia through a period of rapid economic growth before stumbling in the economic crisis.

"Anwar is aware that this whole thing is political," said K. S. Jomo, a political economist at the University of Malaya really like to have a second, a girl. When political, so why pretend that it is not?" and we can afford it,

Continued from Page 1

tigating magistrate, Gilbert Thiel. It was not clear how French author-

NATO authorities already have anoth-

an apparently accurate list published by the Italian newspaper La Repubblica. But an official said that espionage by a

staff member of the Military Committee would be a serious matter. The committee's senior officer, General Klaus Naumann of Germany, went mand authority than they had now.

with General Clark to Belgrade before the deadline last month to persuade Mr. a European officer take over the al-Milosevic to comply with the allied de-

SPY: French NATO Aide Is Accused of Passing Secrets to Serbs the Military Committee since President targets in Yugoslavia under investigation, Jacques Chirac tried to move France's

ities had been tipped off to the possible espionage, which could carry a max-imum penalty of 15 years' imprisonment. A spokesman for the French Defense Ministry, Jean-Francois Bureau said that the minister, Alain Richard, had asked them to take action.

military closer to the alliance in late 1995. Mr. Chirac has said he would not

French officers have been assigned to

Admiral John Joseph Hyland Jr. Dies

By Wolfgang Saxon
New York Threes Service

High Jr., 86, a veteran test pilot and ahampion of naval air power who com
ahampion of naval air power who commanded the U.S. armada off Indochina at the height of the Vietnam War, died Oct. 25 at a hospice in Honolulu. President Lyndon Johnson went over

the heads of 72 rear admirals senior to Admiral Hyland by naming him con-mander of the 7th Fleet at the end of 1965, with a promotion to vice admiral. The choice reflected Admiral Hyland's long experience with carrier-based aerial combat and the president's campaign to bomb North Vietnam into submission. The 7th Fleet was heavily involved in providing cover and support for U.S. ground troops in the Vietnam War. To sap Vietcong supply lines, the fleet in 1967 mined North Vietnamese rivers from the air and shelled roads in North Vietnam from cruisers and destroyers

son promoted Admiral Hyland to com-In September 1967, President Johnmander in chief of the Pacific Fleet, in home in Yorkshire, where he was artistic Honolulu. The admiral also received his director of the Leeds-based Northern fourth star and a Distinguished Service Ballet Theatre. role as president in the

Medal for "outstanding leadership, asinte judgment and foresight in directing the complex and manifold operations of the 7th Fleet in support of our national "As head of the Pacific Fleet, Admiral

Hyland played central roles in two painful episodes in the navy's history: the investigations of the capture and detention by North Korean patrol boats of the intelligence ship Pueblo in January 1968, and the explosion that killed and maimed scores of sailors aboard the carrier Enterprise during bombing practice just months later. Admiral Hyland completed training

as a naval aviator in 1937 and with the outbreak of World War II, was assigned to patrol duty in the Philippines, the East Indies and Australia.

He retired on Jan. 1, 1971. Christopher Gable, Ballet Star

Who Was Also an Actor LONDON (AP) — Christopher Gable, 58, a leading ballet star who also had a successful acting career on stage

Mr. Gable began his career at the Royal Ballet, where his boyish good looks, grace and fine, athletic style won him early critical success and he became one of the most popular dancers.

After leaving the Royal Bailet in 1966, Mr. Gable performed in theaters in London and in Manchester for several years. He also appeared several Ken Russell films, including "The Boy Friend," in which he co-started with

Twiggy in 1971. In 198,2 he founded the Central School of Ballet in London. Paul Misraki, 90, Songwriter

New York Times Service Paul Misraki, 90, a prolific French composer of songs and also of the soundtracks for more than 150 films

made by Orson Welles, Jean-Luc Godard, Roger Vadim and others, died Thursday in Paris. Mr. Misraki wrote the music and the original Spanish words for the Argentine song "Maria From Bahia," which be-

came a popular American record, sung by the Starlighters, in the 1940s. France gave him the titles of Che valier de la Legion d'Honneur and Officier des Arts et des Lettres.

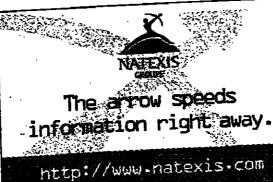
Japan Cites Rise in Whale Numbers

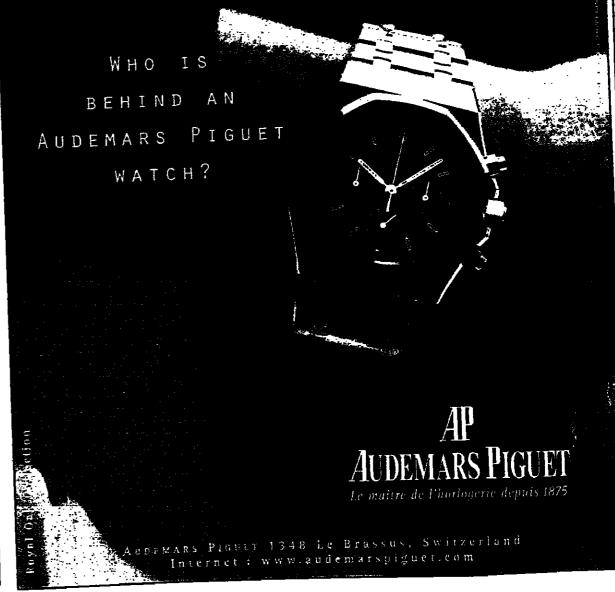
TOKYO - Japanese whalers, disputing opposition to whaling, say the number of animals is growing and competing whale Research Center said Monday.

Abidi Ngoriak 3 mg.

Abidi Ngoriak 3 mg. "According to annual research conducted under the supervision of the International Whaling Commission," the spokesman said, "the number of minke and speam whales in the northwestern Pacific region is increasing." A spokesman for the Fisheries Agency said the government agreed with the data. The 40-nation commission, which consists of mostly North

American and European nations, has turned down requests by Japan and other whaling countries for a return to commercial whaling, citing environmental reasons.





Israel Surprises U.S. and Arafat With Delay on Withdrawal

By William A. Orme Jr.

JERUSALEM - The carrying out of the interim peace accord was stopped in place by Israel on Monday, the day it was formatly to have begun, but Prime Minister Benjamin Netanyahu and the head of further 2 percent of the occupied ter-the Palestinian Authority, Yasser Arafat, ritories in two to three weeks. confi insisted that the security-for-land

Pl.n could proceed nearly on schedule. To the surprise of Palestinian and U.S. regotiators, Prime Minister Netanyahu announced late Sunday that the accord come into effect until it was ratified by the Israeli cabinet and Parliament, delaying the next promised withdrawal of Israeli troops from the West Bank.

Mr. Netanyahu phoned Mr. Arafat Monday to report that the Israeli attorney general had submitted a finding that at is expected to take at least a week.

Mr. Netanyahu's spokesman said Mr. Arafat had "accepted" this explanation, as well as Mr. Netanyahu's pledge to begin withdrawing Israeli troops from a

"They asked me for a few days," Mr. Arafat said Monday evening in Ramallah. "They asked me to accept it, and I accepted it.

American and Palestinian officials signed in Maryland on Oct. 23 would not saw Mr. Netanyahu's bid for time as a political rather then legal necessity, as he tries to protect his narrow majority against right-wing defections and at-tacks from an emboldened left.

Dramatically underscoring Mr. Netanyahu's political fragility, his government survived a motion of confidence by is ruel's commitments under the Wye just a single vote Monday, and might

pact would not be binding until it was approved by the two bodies, a process support of Israeli Arab legislators who are aligned with Mr. Arafat.

As widely noted Monday by Palestinian negotiators and Mr. Netanyahu's critics on the Israeli left, the Wye memorandum states that it "will enter into force 10 days from the date of signature," or Nov. 2. without reference to subsequent ratification or approval

Still, American diplomats here, while

acknowledging that they had been caught off guard, stressed what they saw as the positive significance of Mr. Netanyahu's well-publicized consultation with Mr. Arafat, and Mr. Arafat's conspicuous refusal to criticize the unexpected Israeli delay. Mr. Netanyahu's advisors also played down the move, predicting that the cabinet would approve the memor-andum by Wednesday, with the Parlia-ment following suit next week.

"If anything, this will delay redeploy-ment by two or three days, that's all," said David bar-Illan, a government spokesman. "So we will begin imple-

Palestinian commitments, but it remained unclear whether it was in the

form of a document or a verbal briefing. At the same time, Mr. Arafat was announcing that the counterterror plan had been presented and discussed with both the Americans and the Israelis, the Israeli ment issued a statement contending that the plan was incomplete and not in compliance with the Wye pact.

■ Hamas Disavows Threat

Hamas officials said Monday that an menting the withdrawal by the 18th or the 19th, instead of the 16th."

Mr. Arafat vowed Monday to adhere to the Wye timetable, including the presentation Monday to the U.S. Central intelligence Agency of a plan for the seizure of illegal weapons and accused terrorists. American officials confirmed receipt of such a plan and said it fulfilled palacticia.

head of Hamas's political bureau, said in Damascus, insisting that the movement had not abandoned its policy of coexistence with the Palestinian Authority.

Mr. Abn Marzuq was responding to a statement Sunday from the armed wing of Hamas. It said Palestinian repression of Hamas would lead its members "to refuse the orders of their leadership and turn their weapons intentionally toward the security forces of the authority."

BRIEFLY

Guinea-Bissau Pact

ABUIA, Nigeria — The warring sides in the five-month Guinea-Bissan civil war have signed an accord to end the conflict, officials announced Monday.

The agreement was reached Sunday night during talks between Guinea-Bis-san's president, Joan Bernardo Vieira, and the rebel leader, Brigadier Ansumane Mane.

The talks were held at the presidential mansion of Nigeria's military leader, General Abdulsalami Abubakar, He endorsed the agreement, as did President Yaya Jammen of Gambia

The agreement calls for a reaffirmation of a cease fire signed in August, the withdrawal of all foreign forces and the introduction of a buffer force of West African peacekeepers. A government of national unity is to be formed within 10 days and presidential elections are to be beld no later than March. (AP)

A New Pact Strengthens **U.S.** Commitment to Aid **Israeli Defense Efforts**

By Steven Erlanger New York Times Service

WASHINGTON - President Bill unton and Prime Minister Benjamin anyahu signed an agreement over the sekend that officials in both countries prescribed as a significant strengthening of the American commitment to safeand Israel's security from the threats ર્ગા a post-Soviet world.

and biological weapons - stem mostly from regional rivals such as Iraq and fran, which are also rapidly deregic-range missiles that can deliver

Murder in Sweden Of Boy, 4. Is Laid To Boys 5 and 7

STOCKHOLM — Two boys aged 5 and 7 beat and strangled a 4year-old boy in Sweden, but will not face criminal charges because of their age, the Swedish police said

The victim, Kevin Hjalmarsson, ed in August when a stick was ld against his throat while he was iying on the ground during a fight over a toy. Police Commissioner Rolf Sandberg said the cause of his death was strangulation.

"It began as a game," Mr. Sandberg said. "But it became serious, so after a while it was no longer a

This was the first time young hildren have been accused of purder in Sweden, where the crime is generally rare. The names of the two boys were not made public because of their age.

During questioning two months after the incident, the boys admitted that they had kicked and beaten the ictim. The police said the 7-year-Id was more at fault in the death.

"They told us what they had done," Mr. Sandberg said, "But they never said they regretted it." The two boys, who are being held, will undergo psychiatric treat-

ment, after which social services will decide about their future. The case has been closed and will not go Earlier, the police thought that a pervert had killed the boy and that he had been sexually abused because

his genitals were so badly beaten. Hundreds of local residents in Arvika, about 400 kilometers (250 miles, west of Stockholm, were

questioned about the case. The body was found on a wooden rath affoat about 250 meters from his mother's house.

The year 1998 is on track for being the

Some blame goes to an unusually

evere Ei Nino, the weather phenom-

mon that warms Pacific waters, yet the

ing long after El Niño lizzled out over

there we broke records every month in a

ow," said D. James Baker, adminis-

nospheric Administration. "It doesn't

rrove that you have global warming, but

's absolutely consistent with what

"We have never seen a sequence

sames; in at least six continies,

ne southern Pacific.

such weapons to Israeli cities. The Iraqis fired primitive missiles against Israeli cities during the Gulf War in 1991. The Syrians, too, possess a large arsenal of enhanced Scud missiles that can hit Israel, and have an advanced chemical weapons program that may exceed that of fran or fraq. Israeli officials say.

The "memorandum of agreement" binds the United States to enhance Israel's "defensive and deterrent capa-Those threats - from nuclear, chem-bilities" and to upgrade the already extensive strategic, military and technical cooperation between the two countries. It commits Washington to prompt

veloping intermediate and even stra- consultations about what support or assistance, "diplomatic or otherwise," it can lend Israel in the face of "direct threats to Israel's security arising from the regional deployment of ballistic missiles of intermediate range or greater"
— from 500 kilometers (310 miles) or above. Washington will view such threats "with particular gravity," the

agreement says.

The officials also said that the United States, concerned about the threat Iran and Iraq pose to its own interests, including the security of moderate Arab states such as Saudi Arabia and the gulf emirates, would also benefit from the

enhanced security cooperation.

While legally binding, the agreement does not require Senate ratification, and it falls short of a defense treaty. Such a treaty would be controversial in Israel, which maintains a doctrine of self-reliance, has acted militarily in the past to preempt attack and wants to maintain its freedom of action.

But behind the deliberately vague language lies an important new commitment, the officials say. "Diplomatic or otherwise" is a clear reference to military assistance, and enhancing Israel's "defensive and deterrent capabilities" goes beyond cooperative defensive programs, officials point out.

The memorandum of agreement, which had been under discussion for some time, was agreed on at the Wye River summit meeting last month and helped to persuade Israel to sign an interim agreement with the Palestinians. That agreement, after nine days of talks, provides a phased Israeli withdrawal from 13 percent more of the West Bank in return for specific Palestinian steps against terrorism.

While the Wye agreement was im-portant for Israeli-Palestinian peace, this memorandum shows once again that there may be more serious concerns facing Israel and the United States in this part of the world," said Zalman Shoval, Israel's ambassador in Washington. "The close cooperation between our countries goes beyond the peace process.

Democratic Israel is one of America's closest allies, and Washington is committed to preserving Israel's "qualitative military edge" in the region. While it is assumed that Washington would fight for Israel's survival, it is Israel's own ability to deter and defeat those new threats that this pact will promote.



Israeli border policemen carrying away a Palestinian protester on Monday after scuffles broke out near a Jewish settlement in Arab East Jerusalem. The settlers were erecting erect a fence around the site. national police commander.

Khatami to Visit Paris

PARIS - President Mohammad Khatami of Iran plans to visit France in Rebruary in his first visit to a European country since he was elected in 1997, the

country since he was elected in 1934; the newspaper Le Monde reported Monday. The paper said it was told of Mr. Khatami's plans by Iran's new ambassador to France, Ali Reza Moayeri. Le Monde said Mr. Khatami had been invited to several European countries. but wanted to visit France first because of its position in the European Union. France has called for bridges to be opened to Tehran to reinforce the relatively reformist Mr. Khatami's posi-

Colombians Cut Off

BOGOTA — A remote state capital remained cut off Monday after hundreds of guerrillas attacked the police garrison with homemade missiles.

The 120 police officers stationed in Mitu—about a fourth of them teenagers - had been fighting for nine hours against more than 800 rebels from the Revolutionary Armed Forces of Colombia when radio contact was lost Sunday afternoon.

reach the town of 15,000 near the border

French Judge Is Said to Issue Arrest Warrant for Pinochet

Judge Roger Leloire is investigating the disappearance of Marcel Amiel-Baquet, Rene Chanfreau and Etienne Pesle during General Pinochet's rule in

General Pinochet, who is undergoing

pending an appeal to the House of Lords. The Lords, the upper house of Parlia-

ment, will hear the appeal Wednesday. Legal sources said that following Judge Leloire's warrant, French authorities could ask London to arrest General

international arrest warrant Monday for warrant from Judge Baltasar Garzon of munity is upheld, the French request day that any decision to extradite Genthe former Chilean dictator Augusto
Pinochet in connection with the detention of three French nationals, judicial sources said.

Spain. But the High Court in London
ruled last week that General Pinochet
enjoys diplomatic immunity from prosecution and granted him conditional bail

British government, to decide.

A German lawyer asked cologie

"There is a judicial process and we have not interfered with that judicial process and neither should we," Blair said at a news conference.

eral other European countries are trying

Reucers medical treatment in Britain, was ar-PARIS — A French judge issued an rested in London two weeks ago on a tradition. But if General Pinochet's im-Sweden's chief prosecutor said Mon-

prosecutors to press criminal charges against General Pinochet. Alfred Bongard said he represented a Cinican with German citizenship who fled her Judicial authorities or lawyers in sev- homeland after being persecuted and

Guatemalans in Teculutan climbing on a house wrecked by floodwaters.

STORM: Devastation in Central America

Continued from Page 1

Nicaraguan Red Cross. "The number of dead will increase considerably once it stops raining and we can get into isolated

Areas east of Managua have been inundated by rampaging flood waters, driving thousands from their homes. Lake Managua and Lake Nicaragua, normally separated by a narrow strip of land, have risen so much and so rapidly that they have merged, leaving the town of Tip-itapa and sections of the Pan-American Highway under several feet of water.

'Not just this country, but all of Central America is cut off." President Amoldo Aleman of Nicaragua said in a televised address in which he urged vulnerable people to seek shelter on high ground. His Honduran counterpart, Carlos Flores, found himself trapped in San Pedro Sula, an industrial city of 500,000 people, cut off from the capital by flooding. Officials in both countries said they

were having difficulties obtaining reliable death counts from affected zones. Normal communications have been severed, and many residents have fled to other areas on their own, leading Juan Navarro, a spokesman for Mr. Aleman, to caution that "there is a lot of anarchy" in the estimates being reported in local press accounts.

"We cannot yet specify with certainty the magnitude of the disaster and the number of dead," Mr. Aleman said before declaring three days of national mourning Sunday night in remembrance of what he would only estimate as "hun-dreds" of fatalities. "But I believe that since the earthquake of 1972, we have not suffered so much loss of human life as the misfortune experienced in recent days." The quake destroyed much of Managua and killed as many as 5,000 people.

With sustained winds as strong as 180 miles (290 kilometers) per hour at its peak. Mitch was by far the strongest storm of the 1998 hurricane season. But the bulk of the damage has occurred as it diminished in recent days from a rare category five storm, the most severe on the Saffir-Simpson scale, to a tropical depression stalled over the Gulf of Hon-

For several days, a strong front over the Gulf of Mexico prevented the storm from pushing northward, thereby sparing Cancun and the Yucatan Peninsula, which had been directly in the storm's original path. As a result, heavy rains have fallen ceaselessly for nearly a week not just in Honduras and Nicaragua, but throughout Guatemala and El Salvador, both of which have also declared states of national emergency, and in Belize.

In Tegucigaipa, capital of Honduras and home to nearly a million people, the raging waters of the Chalatera River

swept away entire neighborhoods over the weekend, as well as cars, trucks, trees, power lines and livestock. More than 130 people were reported to have drowned, and as residents fled or sough safety on roofs, the police reported that

looters were raiding stores and homes.
"The capital has been leveled," Mayor Cesar Castellanos said. "Blocks and blocks of middle-class and poor neighborhoods, shops — they have all been completely demolished."

(Reuters, AP, NYT)

IRAQ: Warning by Clinton

Continued from Page 1

prefer to act through our allies and with our allies if we have to take any action at

"The preference is to keep it exactly where it is today, a contest between Iraq and the United Nations," Mr. Cohen said at Andrews Air Force Base outside Washington after he returned Sunday from an aborted trip to Asia.

"The best thing is for Saddam to com-

ply with these agreements," he added. Britain, the United States' staunchest ally in the Gulf War of 1991, said Monday that Iraq must back down in its latest confrontation "or face the consequences."

Addressing business leaders in Birmngham, the British defense secretary; George Robertson, said that international forces that were assembled in February, when Mr. Saddam last openly defied the United Nations, remained in

"The message has got to be the message we had in February," Mr. Robertson said at a meeting of the Confederation of British Industry. "He must comply. He must obey the will of the international community and the UN or face the consequences.

"If he seems hell-bent on confrontation with the UN, the international community will stand up to him in the ame way as it did then.

Twelve British Tomado fighterbombers deployed in Kuwait near the Iraqi border during the crisis in February remain there, Mr. Robertson noted, "We are ready," he continued. still have the capability in place and we remain alert.'

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WARM: Amid Glacial Efforts to Slow Climatic Change, International Talks Begin and the destruction of forests are causing a ministers are not required to answer all. Aires conference a symbolic boost. Continued from Page 1 buildup of carbon dioxide in the atmothe questions in Buenos Aires but only to There are many hidden mines that sphere, which traps heat from the sun. begin a process that will yield solutions could blow the Buenos Aires talks off rogress on climate change over the last I months, and many are dampening apectations for significant achieve-Over the next century, scientists predict in years to come. If Kyoto "created the track. Argentina planned to try to insert that average temperatures will rise be-tween 1.8 and 6.3 degrees Fahrenheit Aires will "create a process for in-oping countries to voluntarily accept nents this year. Some observers worry stalling the interior plurabing and cu-cuitry," said Stuart Eizenstat, the un-house gas emissions, setting their own ant Kyoto's consensus will collapse in (between 1 and 3.5 degrees centigrade), duenos Aires, disintegrating like the enough to trigger a sea level rise that could swamp large chunks of coastal areas. reat Quelceaya, in nearby Peru, dersecretary of state who will serve as goals and timetables. The Kyoto accord was a historic atchief U.S. negotiator Voluntary cuts - an idea strongly The two-week United Nations-But international fault lines that supported by the Clinton administration opened in Kyoto have only solidified in and a few developing countries with sonsored climate conference begins tempt at putting the brakes on warming. ear the close of a year that will be For the first time, the United States and the past year. Complicating matters is close ties to the United States - may emembered for its bizarre weather. For other industrialized nations agreed to the deepening economic turmoil in Asia. seem innocuous enough. But other de-which Mr. Eizenstat said caused "set-veloping countries are opposed even to binding limits on greenhouse gases. By casons that may or may not be related to 2012, these countries would be obliged local warming, the thermostat cranked p this year, pushing global temperatures precords in each of the first nine months. backs" in the critical task of persuading discussing Argentina's plan, UN offinot only to freeze their pollution output,

percent below 1990 levels. But while Kyoto set the targets and deadlines, the most difficult issues how to achieve the cuts and how to spread the costs --- were largely papered over, to be debated later. These are the questions that now lurk in ambush for government ministers attempting to put

but also to reduce it to an average 5

flesh on Kyoto's flimsy bones. "This has all the makings of an old-time East-West free-for-all," said Senrator of the National Oceanic and Atator Chuck Hagel, Republican of Nebraska, who leads a delegation of U.S. Senate observers at the talks. "Buenos Aires could disintegrate into a namecalling process, with the West being blamed for all the evil, problems and

ou'd expect. While climate can shift abruptly without help from humans, most scientists difficulties in the world. Aware of the risks, conference leaders 1999, deadline and aides say he may tries to cut their costs are setting modest goals. Officially, the do so this month to give the Buenos selling pollution credits.

developing countries to restrict the growth of their emissions.

agree even on the rules for settling their house gases historically came from differences. With the clock ticking on North America and Europe, poorer nadeadlines set in Kyoto, a breakdown in Argentina could strip the process of its climate for years, a prospect that treaty opponents are aiready savoring.

The treaty is on snaky political ground in a number of world capitals. As of last biggest polluters, and any climate month, only 55 countries have signed the accord and only one - Fiji has ratified it. President Bill Clinton. as leader of the world's biggest emitter greenhouse gases, has said he will sign the treaty before the March 1,

cials said last week. The role of developing countries has To many observers, the peril in become a flash point in the climate de-Buenos Aires is that nations will fail to bate. Because most of the world's greenbecome a flash point in the climate de-

tions insist that the West go first. But wealthier countries say they canpolitical momentum and delay action on not solve the problem alone. Already, modernizing countries such as China and India are on their way toward eclipsing the developed world as the strategy that excludes them would fail in

the long run.

Another battle, puting industrialized countries against each other, is looming over rules for emissions trading programs that would allow developed countries to cut their costs by buying and

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Repression in China

modestly expanding the limits of acceptable political debate. Those expectations have been dashed by a new burst of arrests, detentions and censorship.

In recent days, government agents closed down an independent think tank that was testing those new limits, confiscated its founder's passport, and halted circulation of a book of essays proposing mild political reforms.
Word also came that a Chinese scientist who has lived in the United
States since 1989 and written about Change military issues was arrested and charged with divulging state secrets, when he returned home for a visit earlier this year. The scientist, Hua Di, told friends that he had been assured he ran no risk of arrest. These are indications of a disturbing slide

back toward repression.
President Bill Clinton, after speaking out repeatedly for human rights and democracy on his visit to China last summer, should now make plain his disappointment over the crackdown.

Chinese intellectuals and activists are not yet being hounded as ruthlessly as they were in the years after the 1989 Tiananmen Square democracy move-ment. But President Jiang Zemin's approach to opening up political debate is less than advertised, and not enough to meet the needs of China's rapidly modemizing society. Market liberalization, the formula that China's leadership has chosen to assure robust economic growth, requires a loosening of political controls over private life. People must have the freedom to debate and challenge government policies, and they need reliable legal protections that can-

need reliable legal protections that cannot be overturned on official whim.

Under the late Deng Xiaoping, and
now under Mr. Jiang, Beijing's rulers
have insisted on maintaining many of
the worst attributes of a Communist
police state. Until Mr. Jiang responds
more constructively to the Chinese
people's demands for greater political as
well as economic freedom, China's procress will be blighted and its relations gress will be blighted and its relations with the United States will be strained.

-THE NEW YORK TIMES.

Facing an Ugly Past

That South Africa's Truth and Reconciliation Commission failed to reveal every truth, and produced little reconciliation, does nothing to diminish the courage of the enterprise, nor the success that history will reveal it to have been. South Africa has moved from a regime of terror, in which a minority of whites oppressed and impovershed a large majority of blacks, to a multiracial democracy in which even former oppressors are accorded full rights. The accomplishment of this transition without a bloodbath owes much to the forbearance of the South African people and their uniquely farseeing leader, Nelson Mandela, but much also to the commission and its head, Archbishop Desmond Tutu.

The commission was designed to help South Africa face its painful history without being destroyed by it. The scheme was a compromise, as Archbishop Tutu has said, "between those who want amnesia and those who want retribution." The idea was to offer amnesty to human rights abusers, but only if they testified truthfully and in public; many others, including prominent figures, may vet be prosecuted. Victims, too, were given the opportunity to speak publicly about the wounds, losses and indignities that until now could not be acknowledged. The process could not begin to compensate for those losses, but it estabished a rich historical record, and it laid out many rights and wrongs.

Complaints from across South Africa's political spectrum are a tribute have been expressing his hope for the to the commission's unsparing bonesty. It did not hesitate to accuse even

South Africa's freedom fighters for their excesses, their attacks against ci-vilians and other abuses. Mr. Mandela's party, the African National Congress, therefore tried, fortunately without success, to block publication

of the commission's report. But there should be no confusion about where the commission found the greatest wrongdoing. Its findings are by no means evenhanded. Apartheid was a "crime against humanity," and "the primary perpetrator of gross violations of human rights" was "the state, in the form of the South African government, the civil service and its security forces." The bulk of the report's 3,500 pages are devoted to the state's crimes, including torture, abduction and judi-cial and extrajudicial killings.

As a legacy of apartheid, most blacks remain far poorer and less well educated than South Africa's whites. They are told, by Mr. Mandela and others, that they must accept that state as the starting line, and move on. This is only practical; any radical expropriations or redistributions would frighten investors and impoverish the nation. But being correct does not make it fair or just. There should be no wonder that

reconciliation will be slow in coming. But Archbishop Tuta is right that facing the past is a necessary if not sufficient condition. "Freedom was granted in exchange for truth," he writes in the report. He was speaking of the process of granting amnesty to individuals, but he might just as well

- THE WASHINGTON POST.

Privacy Standards

The debate over the privacy of per-mal data is sharpening as the problem measures already in place. The Euro-peans have not ruled the United States sonal data is sharpening as the problem appears in more and sometimes unexpected contexts — everything from employer testing of people's genetic predispositions to resale of their online reading habits or their bank records. When the data are medical or financial, everyone but the sellers and resellers seems ready to agree that people should have some measure of control over how and by whom their data will be used. But how, other than piecemeal, can such control be established, and what would a more general right to data privacy look like?

One approach very different from that in America, as it happens, is about to be thrust upon the consciousness of many U.S. businesses as a European law called the European Union Data Privacy Directive goes into effect. The European directive has drawn attention not only because the European anproach to and history on data privacy are sharply different from America's but also because the new directive comes with prohibitions on export that would crimp the options of any comcany that does business both in the United States and in Europe.

The directive imposes sweeping prohibitions on the use of any personal data without the explicit consent of the person involved, for that purpose only repeated uses or resale require repeated permission), and also bars companies from exporting any such data to any country not ruled by the EU to have "adequate" privacy protection

'adequate" in this regard - no surprise there - although individual industries may pass muster or fall under special exemptions.

That means, for instance, that multinational companies cannot allow U.S. offices access to personnel data on European employees, and airlines cannot swap reservations data without restrictions. More to the point, they cannot share or sell the kinds of data on customers that in the United States are now routinely treated as another possible income stream. Would such restraints be a boon to customers on American shores, too? Or will Americans, as the data companies frequently argue, find instead that they want the convenience and "one-on-one marketthat this constant dossier-com-

piling makes possible?

In one early case, a U.S. airline is being sued in Sweden to prevent it from compiling and selling a database of, for instance, passengers who requested kosher meals, or wheelchair assistance on arrival from trans-Atlantic flights. Do customers want the 'convenience' of this kind of tracking, and if not, how might they - we - avoid having it offered? The contrast between systems is a chance to consider which of the many businessas-usual uses of data in the United States rise to the level of a privacy violation from which citizens should be shielded by law.

-THE WASHINGTON POST

Herald Eribune

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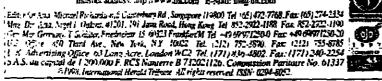
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South African Truth First, Reconciliation Later

CAMBRIDGE, Massachusetts — The long-awaited report of the South African Truth and Reconcili-ation Commission, issued last Thursday, will lay nothing to rest. It appears at a time when the public has become tired of the commission and skeptical about its benefits.

White people are increasingly negative about everything - the economy, crime, affirmative action, a government run by a cabinet that is mainly black. These negative attitudes are a screen against confronting the reality of their contribution to apartheid as beneficiaries of its privileges, a system that oppressed the majority of South Africans for the enrichment of a few. Perpetrators continue to struggle with the effects of public shaming and being exposed as the doers of evil deeds.

Some victims are also unhappy. They have not seen any benefit from having come forward to the commission to share their stories of anguish. Their hopes were wearing thin until the first reparation payments were made recently to a few victims, a process seen as too little too late.

The commission forced white people to reckon with their role as bystanders abandoned them and did not fulfill the

By Pumla Gobodo-Madikizela promises it made. The commission addressed some of their emotional needs

and beneficiaries of apartheid privilege. Many of them have refused to face this truth, which threatens their sense of humanity. Instead they have been excessively critical of the post-apartheid government and the government's ef-forts toward transformation, which they see as a threat to the privileges they were used to under apartheid.

The struggle by perpetrators of apartheid arrocities is a struggle to find meaning in their past. Unlike their political opponents — those who fought in the liberation movement and are able to salvage some sense of meaning in the acts of violence - apartheid perpetrators can find very few threads that could link them meaningfully to the past. Exposed in shame through the commission's work, perpetrators often tried to minimize the extent of their involvement in atrocities by continuing to lie, as if they would not have to tell the whole truth and could get away with murder once again, as they were used

to, with denial and solidarity in the lie. Victims felt that the commission

arising out of traumatic memory, but they had to return to the reality of their unchanged economic situation. Putting a face on the perpetrators who brought them years of anguish, and knowing the facts about how it happened, removed some of the emotional burden that they have carried over the years, but this did not bring improvement of their life

Very few people will appreciate the most valuable achievements of the Truth and Reconciliation Commission. Perhaps the most valuable is trying to answer the question: How can a country move forward after it has had a history of oppression and violence, without destroying itself with revenge?

circumstances.

It is not surprising that attitudes to the commission are critical. This has been a pain-filled process for everyone, and people are still dealing with bit-terness, guilt, disappointment, anger and grief. But the commission's report should be seen as part of dealing with the past and seeking reconciliation, even if such reconciliation will not

come in this generation. Some victims have been unhappy

Silicon Valley Ce about coming forward with their sto ries, but many others feel an incredible sense of validation after speaking at the commission's public hearings. For these victims, nothing was more affirming than an opportunity to break the silence about the brutality they suffered during the years of apartheid.
The commission allowed some vic-

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time and survivors an encounter with their perpetrators in ways that would not have been possible in a court of law. And here lies one of the successes of the commission. The requests for forgiveness made by some perpetrators, and the granting of forgiveness by vic-tims and survivors who are the primary generation of sufferers of atrocities, are unprecedented in the history of atrocities in the 20th century. The com-mission's final success is that South Africa did not plunge into a spiral of violence and revenge.

The writer was a member of the South African Truth and Reconciliation Commission's committee on hu-man rights violations. Currently a peace fellow at the Bunting Institute at Radcliffe College, she contributed this comment to The Washington Post.

No, Professors, the Impeachment Process Is Worthy

By David S. Broder

WASHINGTON — When academics decide to become activists, they sometimes bring badly needed wisdom and perspective to raging political debates. But when they plunge in heedlessly, they risk looking ridiculous. Both sides were on display last week in a hotel ballroom when three noted American historians, speaking for more than 400 of their profession, unloaded a broadside conthis president be held more acdemnation of the impeachment proceedings that the House of

Representatives has voted to begin against Bill Clinton. The rhetoric of their state-ment, read by Arthur M. Schlesinger Ir. of City University of New York, began on a relatively calm note and built to a

"Although we do not condone President Clinton's private behavior or his subsequent attempts to deceive, the current charges against him depart from what the framers saw as grounds for impeachment. The vote of the House of Representatives to conduct an openended inquiry creates a novel, all-purpose search for any of-fense by which to remove a president from office." statement declared.

The "unprecedented" steps of beginning a formal inquiry are extremely ominous for the future of our political institutions," it continued. "If carried forward, they will leave the presidency permanently dis-figured and diminished, at the mercy as never before of the caprices of any Congress.... We face a choice between preserving or undermining our constitution. Do we want to establish a precedent for the future harassment of presidents and to tie up our government with a

protracted national ageny of search and accusation?" Sean Wilentz of Princeton. who drafted the statement with Mr. Schlesinger, said it was "extraordinary" that so many of their colleagues had signed on as soon as it was e-mailed or faxed to them. It was not partisan. Mr. Wilentz assured reporters, but "a statement by his-torians speaking as historiaas."

Mr. Schlesinger, who served ments. (The United Nations bein the Kennedy White House, lieves that America owes \$428

TOKYO — Japan's eco-

1 nomy is in a severe state of

crisis. In fiscal 1997 it de-

clined by 0.7 percent. A fur-ther decline of 1.8 percent is expected in 1998.

Japan's economy accounts for two-thirds of Asia's eco-

nomy and occupies a 15 per-cent share of the world eco-

nomy. It is Japan's respon-

sibility to revitalize its econo-

my as soon as possible. Since 1993, the political

system has been in a transition

toward multiparty rule. The

elections last July reduced the

Liberal Democratic Party's

seats in the upper house of the

Diet, the House of Council-

lors, to 104 out of 252, or 23

seats short of the a majority.

As a result, for the next six

years no bills can be passed

without consulting with the

opposition parties.
Thus, Japan is steadily

moving in the right direction.

toward a policy-oriented po-

In the last Diet, cooperation

between the opposition and

ruling parties resulted in the

establishment of a financial

While under the parliamen-

tary system bureaucrats for-

mulated most bills, Diet mem-

bers increasingly have been

proposing legislation, such as

the long-awaited introduction

litical system.

stabilization pian.

struggled to maintain that dispassionate tone, but wound up sounding at times like James Carville in cap and gown. Ac-cusing independent counsel Kenneth Starr of being "America's No. 1 pornographer," he said: "We all lie all the time. Ronald Reagan lied repeatedly on Iran-contra. ... Why should

countable than anyone else?" The one person clearly speaking as a scholar was the 89-year-old dean of American historians, Yale professor emeritus C. Vann Woodward. He readily conceded that "there can be honest disagreement" about the framintent when they said imachment should be reserved for bribery, treason and other 'high crimes and misdemeanors." But, he said, if it applied to

illicit sex during White House tenure, more than half of American presidents would have faced removal from office.

What the historians seemed notably reluctant to recognize was that the charges the Judiciary Committee will consider are not the sexual misconduct which Mr. Clinton has acknowledged but the accusations, which he vehemently denies, that he committed perjury in his deposition before a federal judge and in his federal grand jury testimony, suborned perjury by others and obstructed justice.

Are those offenses, if proved, grounds for impeachment? Pro-fessor Charles L. Black Jr. of Yale Law School, whose 1974 book on impeachment is a good layman's guide to the issue, said

his hypothetical scenarios, he wrote that it was "preposterous" to imagine that the im-peachment threshold was low enough to catch a president for transporting a woman, "from one point to another within the District of Columbia for what is quaintly called 'an immoral

But Mr. Black displayed an intellectual modesty far removed from the historians' assertion that they know with certainty what the framers meant by "high crimes and misde-meanors." He said that neither English legal usage, from which the words came, nor American precedents provided "mequi-vocal validation of any very precise view of the exact boundaries of the phrase's meaning." What the history really says

forth in the constitution.

sex was not enough. In one of exists to a sensible, reasoned treatment, right now, of the problem of the meaning of high crimes and misdemean-Mr. Black wrote.

ors, 'Mr. Black wrote.
The founders clearly left that determination to the members of the House, and historically they have voted bills of impeachment against only two presidents and 14 others, mainly federal judges. No president has ever been convicted and removed by the Senate, and there is little reason to believe. at this juncture, that Mr. Clinton will be the first. But the House is following the process set

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Mark Harris

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This tenured trashing of Congress for meeting its respon-sibility says more about the state of the history profession than about the law of the land.

A New Congress, a Fresh Start on UN Dues

WASHINGTON — A cru-cial foreign policy piece was left off the massive omnibus spending bill that Congress passed and the president signed last month — a proposal to pay back most of the nearly \$1 billion that the United States owes to the United Nations and its member states. Why? An un-

related fight over abortion. At stake was nothing less than U.S. credibility in the international community.

America not only leads at the United Nations, it relies more and more on the United Nations and its members to help achieve U.S. foreign policy goals. When the United States does not pay its dues, it is less likely to persuade other members to support it in containing Saddam Hussein or Slobodan Milosevic. If it does not pay its share of UN peacekeeping costs, others will lose the willingness to send troops overseas, and America may find itself acting alone --- or doing nothing.

According to Washington's own accounting, it owes just over \$1 billion in past-due pay-

Getting Japan Back to Growth

By Takashi Imai

of a stock option plan. Diet

members must commue to ini-

tiate dynamic legislation to

promote such structural re-

forms as the streamlining of

The opposition now is more

inclined to offer alternative

proposals and discuss policy

maners with the ruling party.

This is because since 1993, all

the major political parties ex-

cept the Communists have had

experience in both ruling and

ing to see if Japanese politi-

cians can devise and carry out

a financial stabilization plan.

More than two months have

passed since the Diet discus-

sion started in early August,

but the negotiations have

The primary obstacle in Ja-

nan's economic recovery is

the problem of nonperforming

leans. Without immediate dis-

posal of these bad loans, the

economy cannot be revital-

ized. Bills to this end were

passed in the last session of

the Diet. In addition to mea-

tutions, the stabilization plan

provided a model for con-

sensus-building.

The world has been watch-

opposition domains.

administration.

million more than that I More Foreign Relations Comm than \$658 million is for peacekeeping expenses (including in Bosnia) that are borne by other members when Washington does not pay its fair share. For example, more than \$235 million of U.S. arrears is owed to European allies.

Because of America's delinquent status, it is in danger of losing its vote in the General Assembly. This year it barely escaped that embarrassment. and it could happen next year.

This is not a problem without solution. From the earliest days of the 105th Congress to its closing hours, I worked with others to push through a "grand under which the United States would pay back the UN arrears in exchange for a series of steps by the United Nations to streamline its notorious bureaucracy. The deal also included a streamlining of the U.S. foreign policy bureaucracy, in exchange for full funding of

the State Department budget. The proposal, co-sponsored by Jesse Helms, was approved

By Joseph R. Biden Jr.

by a bipartisan majority in the

ing necessary public money

works and lax cuts, as pro-posed by Prime Minister Keizo Obuchi. Since there is

no basic policy difference be-

tween the opposition and the

ruling parties on this issue,

these measures should take ef-

fect easily. The corporate tax

rate will be reduced from 46.5

to 40 percent, and the max-

imum income tax rate from 65

to 50 percent, bringing the

rates into line with interna-

tional standards. Taxes will be

reduced at a constant rate for

will emphasize urban and me-

dia-related fields, which sig-

nificantly affect the economy.

With application of these

measures, the basic conditions

for reactivating the economy

strength of Japan's economy,

with proper measures it can

recover enough to achieve a growth rate of about 2 percent,

compared with the previous

quarter on an annualized basis.

during the latter ball of 1999,

eration of economic organi-

zations, contributed this com-

The writer, chairman of the

Given the basic underlying

Also, public investment

all income levels.

will be in place.

sures for coping with the Keidanten, the Japanese fed-bankruptcy of financial insti-eration of economic organi-

includes a measure for inject- ment to The Washington Post.

Next, Japan needs public

into the solvent ones.

5 the first time, and the second time on a voice vote. But it has been stalled in the House of Representatives for more than a year, for reasons that had nothing to do with the United Nations and everything to do with the politics of abortion.

At the center of the fight is a small band of radical Republicans fighting to block U.S. support for international organizations that lobby overseas on abortion issues. (U.S. law already prohibits any assistance to overseas groups that perform abortions.) In the past, antiabortion riders had been tacked on to the foreign aid bill, only to be stripped off at the 11th hour to avoid a presidential veto. This time the language was attached to the UN-arrears legislation.

The House Republican lead-ership, controlled by the ultraconservatives, forced the president to choose: He could get the UN money, but only with the abortion language attached. The administration turned down the deal and vetoed the bill.

Given the importance of the United Nations to U.S. foreign policy, one can argue that the president should have accepted the Republican "bargain" and signed the bill. But that would be endorsing an outside re-straint on free speech in another country that would be unconstitutional in the United States. Worse, accepting the Repub-

lican bargain would signal to other members of Congress that they can hold foreign policy hostage to get what they want on domestic issues.

The managing of U.S. for-eign policy in a still dangerous world is not easy in any cirand twice by the Senate - 90 to comstances; it becomes harder still when injected with the divisive domestic politics associated with the abortion issue. Such tactics are irresponsible.

Even more troubling than the tactics is the lost opportunity. Paying U.S. dues at the United Nations would strengthen America's role in day-to-day UN operations, where U.S. influence has been reduced greatly. A report by the General Accounting Office, requested by the Republicans earlier this year, concluded that the arrears problem has "contributed to at difficult environment for advancing U.S. positions and has distracted the debate away from the merits of particular issues."

Paying dues would improve America's ability to forge a consensus in the Security Conncil on containing Iraq's Saddam Hussein, and would increase U.S. leverage if force is used in Kosovo.

Next year there will be a new Congress. If the Senate confirms him, there will be a new U.S. ambassador to the United Nations, Richard Holbrooke, One of the most creative diplomats and negotiators of our time. Mr. Holbrooke offers the United States a chance for a fresh art

1898: U.S. Empire?

speech delivered at Worcester. Mass, deprecated the idea of the United States being "transformed from a Republic founded on the Declaration of Independence into a vulgar commonplace Empire founded on physcal force." He denied that Porto ciples of free trade. Rico and the Philippines were American by right of conquest, and disputed the President's power to annex a foreign territory. America, he said, could not follow England's example in governing colonies through [American] institutions founded on equality. The speech has ex-

LONDON - Mr. Stanley Bald-

up the menace to Great Britain from American and German trade and said he would never be satisfied until the British Empire became absolutely independent of America in regard to cotton. He made a plea for establishing Preference throughout the Empire, which, he contended, would not be against the prin-

1948: Shaving Spree

general headquarters issued an order recently that Israeli troops must cut off their beards. The only exceptions are for soldies. in mourning and those who in pre-army days maintained permanent facial adomments. The order will probably necessitate the widest shaving space in any anny's history. The order was unquestionably prompted, as in the American Army in the second World War, for reasons Trade Hall, where he conjured of personal samitation.

in resolving this impasse. Meanwhile, the tab is growing, American influence is waning, and the problem is not going away.

The writer, a senator from Delaware and the ranking Democrat on the Foreign Relations Committee, contributed this to The Washington Post.

And the state of t IN OUR PAGES: 100, 75 AND 50 YEARS AGO

NEW YORK - Mr. Hoar, in a

cited much comment.

1923: Trade Menace

win carried his protectionist campaign a step further in his speech in Manchester at the Free

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OPINION/LETTERS

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Silicon Valley Celebrates Future With a 'Museum'

By Frank Rich

C AN JOSE, California — Let I the old folks get misty-eyed about John Glenn's return to to reflect upon the past space. Here in the self-proclaimed Only a little history peeks capital of Silicon Valley - the true epicenter of science and industry in America, 1998 — nos-talgia does not play. Most of those who run the high-tech industry that now fires the world and much of its economy are too young to remember the first Glem mission. Their scientific explorations venture into virtual space, not outer space, and their means of propulsion, the microchip, must be examined through a microscope, not a telescope. The only prospect of rianger comes from hair-raising gyrations of the Nasdaq ex-

There has been a countdown here all week long - second by second on the San Jose Mercury News Web site - but it wasn't for Mr. Glenn. This past Saturday was the official opening — the "plugging in" — of The Tech, a nearly \$100 million mango-and-azure downtown showplace for Silicon Valley's revolutionary accomplishments. The full title of the place is The Tech Museum of Innovation, but as Peter Giles, its chief executive, explains: "The word 'museum' carries a stigma here. People really aren't interested in what's come before but in what's coming." To get more than 300 of the valley's high-tech companies — from Hewlett-Pack-

ard and Intel to Adobe and Infoseek — to pitch in, The Tech had to be conceived as an un-museum too busy rushing roward the future

through: A small panel describes the advent of the first microprocessor in that ancient year of 1974. Otherwise The Tech aspires to be something new in the run of science centers and museums.

Reflecting the values of a restless, hypercompetitive industry, whose products become outdated almost the second they are released, it does not expect any of its "permanent" exhibits to last more than five years. Reflecting the gestalt of the people who built and run that industry, it contains no grandiose monuments to the valley's founding gecks or even any biographical descriptions of them.

in one exhibition area, there's the facade of a garage — the pro-totypical birthplace of Apple and so many legendary valley start-ups — but the interactive displays all colebrate the cuit of the chip, not the personalities of a Steve Wozniak or Steve Jobs, Apple's founders.

San Jose has passed its neighbor San Francisco in size and is now the 11th-largest American city, its metropolitan area exports more goods than those of New York or Detroit. But as a cultural force, it ranks nowhere near as high.

Part of the idea of The Tech which secured \$41 million in city redevelopment funds -- is to an-



chor a cluster of downtown arts institutions and to make the city "a destination," as the outgoing mayor, Susan Hammer, puts it.

But The Tech is also designed to solve two more practical probiems. It has a huge educational outreach program, aimed at local teachers and students whose science training has been gutted by Proposition 13. And it hopes to be the area's unofficial visitors' center, tourists who come to Silicon Valley looking for spectacular sights in tune with its giant achievements have been baffled to find mainly office buildings and modest computer history ex-

hibits. Cape Canaveral it's not.

Tech's efforts to fill this vacuum, I enjoyed touring a mock "clean-(where microchips are made) and using a computer to a virtual ride). The ethics exhibits - on such phenomena as e-mail privacy and the digital retouching of news photos on magazine cov-

But what most impressed me was how The Tech captures the meeting of science, commerce and culture of its moment much as the Air and Space Museum did in the 1970s.

ers --- are unusually tough.

Start-ups and venture capital

In my hours exploring The typify the valley more than tech-nology," said Mr. Giles, as we talked in The Tech's New Venture Hall. And so what you find here is not just an explication of the scidesign my own personal roller ence that is America's current coaster (which I could then take for new frontier but the cultural coordinates of all its frontiers: the buzz of impatient youth, of goldrush booms and busts, of new immigrant talent and burgeoning community. In other words, The Tech is a snapsnot of the national idea as it stands at the turn of our century. See it before these restless American pioneers, like all those before them, come up with a better idea and tear it down.

The healton Time:

LETTERS TO THE EDITOR

Keep Pollard in Jail

Regarding "A Spy Mystery: Why Did Clinton Deny Israeli

Plea?" (Oct. 27): Your piece by Joseph Pitchett explains only part of the reason Jonathan Pollard stays in prison, even though what follows, with the exception of the Israeli intelligence sharing, is a matter of

Mr. Pollard, a U.S. naval intelligence analyst, stole and delivered to the Israeli intelligence services 800 cubic feet of (mostly) top secret intelligence. What astounded U.S. investigators at the time was how little of

documents were provided in response to hundreds of intelligence requirements issued at a high level in the Israeli intelligence services. The FBI concluded that the vast majority of what he took could only have

been used for blackmail of the United States, or for sale or trade to adversarial intelligence organizations. ·

Israel counterintelligence desk was the second-largest in the bu-reau for a very logical reason: In 1985, Israel's Mossad was the second-most-active adversarial intelligence service operating in the material was in fact related to America after the KGB, and had Israeli security. Moreover, the been since the mid-1950s. And

(particularly) the Israeli Defense Forces, it had been highly successful.

But it is only after the Pollard operation that the attitude toward him, and his release, was set in stone for the U.S. intelligence community. In the late 1980s and early '90s, the United States learned that the Pollard take was indeed leaking The existence of the operation to third parties — to South Africa, was no surprise at all. The FBI's among others. This is why Mr. Pollard stays in prison.

STEPHEN GREEN.

The writer is the author of "Taking Sides" (1984) and of "Living by the Sword" (1988).

The usually objective Mr.

big culprit in the affair is the Israeli government for recruiting Mr. Pollard.

The U.S. government is entitled to better treatment from one of its allies. This is the real sticking point. It is a political problem for Mr. Clinton, or any U.S. pres-

Mr. Pollard, having served 13 years, has paid as much of a penalty as many released murderers these days.

FREDERIC MARTENS. Brussels.

The news that President Clinton is going to review the sentence for treason against Mr. Pollard is chilling. For the president to free

because of the access provided to Fitchett fails to point out that the this traitor would be treachery to the American people.

Mr. Pollard provided Israel with lists of the U.S. undercover agents operating in apartheid South Africa, agents who were present in the 1980s when the CIA was shipping them arms to be used in the war against Angola. This information put these Americans in mortal danger.

Jonathan Pollard should remain in a maximum security prison for life. That situation is nonnegotiable, just as the release of Mordechai Vanunu, the Israeli who revealed the nuclear weapons production at Dimona, is nonnego-

GEORGE J. BERTERO,

Jefferson's Contradictions Are Those of His Nation

By Orlando Patterson

AMBRIDGE, Massachusetts — The age of innocence is over, and none too soon. DNA evidence strongly suggesting that Thomas Jefferson fathered at least one child by his slave mistress. Sally Hemings, has seen to it.

For centuries, through schools of clashing revisionist historians,

MEANWHILE

the way Americans viewed themselves, their heritage and their times has been dominated by a simplistic vision that sharply distinguished between good and evil. freedom and slavery, heroes and villains, the noble of character and the hopelessly flawed.

Our memory and treatment of Thomas Jefferson is the most extreme example of this purist vision. For the 196 years since a Richmond newspaper first claimed that Jefferson had a slave mistress, generations of ordinary Americans and icon-worshiping historians have twisted and denied the overwhelming circumstantial evidence that it was true. It was considered inconceivable that a man of Jefferson's character could do such a thing, notwithstanding his well-documented contradictions on the subjects of slavery and other matters.

Hardly a year ago, Joseph Ellis, a leading Jefferson scholar, dismissed the circumstantial evidence marshaled by the scholar Annette Gordon-Reed in favor of the relationship with the assertion that she was playing "the race card." We now know that Ms. Gordon-Reed was right.

Nonetheless, another problem with the simplistic vision of the past is that it has encouraged both black and white Americans to underplay or misinterpret the role of 'race'' in their nation's past.

For many black Americans and other critics, Jefferson's contradictions were proof not that he was human, but that he was a hypocrite without redeeming qualities, another reason to dismiss attempts to become engaged with the history of their nation and more reason for a separatist interpretation of America's past and present.

For many white historians, attempts to arrive at a more truthful and nuanced view of Jefferson by black Americans were dismissed as racially motivated. This is what ment to The New York Times.

happens when we refuse to acknowledge contradictions in our past and present lives and in the

hehavior of those we admire. Jefferson was no saint, but his racialist reflections on blacks must be understood within the context of his times and his relationship with a black woman. Nearly all whites of his day, including most abolitionists, simply assumed that blacks were racially inferior. Jefferson was unusual in the degree to which he agonized over the subject. He was overtly inclined to what we would consider today to be racist views, but he also held out the possibility that he might be wrong.

The worst aspect of the black American condition in the past was less the intellectual attention of racists and more the simple denial of their humanity in the refusal to recognize them at all.

For Jefferson, blacks could not really be invisible. His relationship with Hemings was almost certainly no one-night stand. It is not possible that he could have had a relationship with a black woman that likely lasted more than three decades and deny the human reality and presence of her being, her progeny and the people with whom she was identified. The longevity of the relationship not only humanizes Jefferson for us, but suggests that his doubts about his racial theories may have been far more serious than he let on in his writings.

Today, I feel less alienated from him, as I suspect will most African-Americans eventually. He is part of the family, a family with a ghastly, contradictory past, to be sure, but a family nonetheless.

Knowing that the greatest of our Founding Fathers was a practicing miscegenist should energize the recent shift away from the either-or definition of "race" that has historically underpinned the caste-like segregation of black Americans, toward a more blended and self-chosen definition of group identity. No society has ever solved its ethnic problems without intermarriage, and America will be no exception.

Orlando Patterson is a professor of sociology at Harvard and the author of the forthcoming "Rituals of Blood: Consequences of Slavery in Two American Centuries." He contributed this com-

LIKE NEVER BEFORE By Ehud Havazelet. 268 pages.

\$23. Farrar, Straus & Giroux. Reviewed by Richard Bernstein

THERE is a moment in Ehud Havazelet's new book; "Like Nev-er Before," that incarnates the distilled bitterness, the melancholy sting, of this quietly powerful collection of stories. Max Birnbaum, the distracted and in-effectual son of a famous rabbi from Krakow and the father of two disap-pointing children, is in his living room in Queens speaking to his wife, Esther,

who is dying of cancer.
"I love them," he says abruptly of his children, David and Rachel, whose estrangement from their parents exem-plifies Havazelet's view of human relations as battles nearly to the death. "Tell them that," Esther replies. And

then: "Tell them," he sneers. "That I never will understand them, how they live?" Max thinks about his long-dead brother, killed by the Nazis, and he has Job-like thoughts of God: "That every morning I curse him for a traitor and I curse them for the unhappiness they

myself. I should tell them that?"

BOOKS

Havazelet, who got respectful attention for "What Is It Then Between Us?," his first collection of stories, proves himself again an impressively talented writer in "Like Never Before," a book that lives on the precarious edge between loving and cursing. A series of independent but related stories, the new book consists of intense, often searing scenes from three generations of a spiritually wounded Polish Jewish family

living in Queens. Havazelet writes with a kind of anatonnical precision, his scalpel slicing at his characters to expose the dark reality beneath. He has a sharp, almost grotesque wit, a fine ear for the eccentric cadences of lower-middle-class New York Jews and an unsentimental compassion for the scars they bear.

The first story, "Six Days," sets the scene, etching in the relationship between Bimbanin and his son that will emerge as the central conflict of Havazelet's collection of vignettes. Birnbaum teaches in a Hebrew day school, living in the shadow of his fa-ther, the rabbi of an Orthodox Brooklyn bring." His hands make a gesture of congregation. One Yom Kippur, in his futility. "You too," he says, "for trick-father's synagogue, prayers are inter-

CHESS

op, blocked by his center pawns, and

scizing space with 13 f4 and maneu-

board for his own counterplay. Gulko

could not stop this with 14 . . . et?

because 15 Qf3 g6 16 e4! opens the game in White's favor. But maybe he

could have played 14. . Nb6, although

15 No4 No4 16 Qc4 would have amoun-

ted to something a lot safer than what

Vera got in the game.
After 14 b3, it was plain that Vera was

counting on 15 Ba3 and surely esti-

mating wrongly that the preventive 14.

. b5 would be a serious weakening of the black position. On 15 Nd2 Qe7

White could not breakthrough with 16

sector.

ing me like this, for leaving. Every rupted when David and a friend, playing

a synagogue window with a ball.

The boy saw his father's eyes, the look in them. He's going to kill me, he thought. Bimbaum leaned over, grunting words he didn't recognize. He tried to reach with his fists, but he couldn't, so he began using his feet on the red-faced creature scuttling away from him on its back near the wall."

In "Light of This World," which describes a day in the life of three truants from the Hebrew Day School, it becomes clear that there is a cruelty in David that goes beyond the normal cruelty of children. Havazelet provides a flashback in the next story, "Lyon," where Birnbaum, then 16 and known as Maxim Birnboym, and his older brother, Rachmil, both refugees from Krakow, collect money to pay for Jews to be smuggled across the border into Switzerland. This brief excursion into Birnbaum's past is all the more powerful because it is so brief, and only once more referred to - in Birnbaum's acrid comment to his dying wife.

The experience of reading Havazelet's stories is one well on the dark side of poignancy, but it is also one of pleasure at the realization of a striking talent.

New York Times Service

By Robert Byrne

MOST chess players like to take a chance every once in a while. And there is sometimes a way to have your cake and eat it, too. Perhaps you can hit upon a system of moves that you are comfortable with but that the majority of your contemporaries are not.

some years found himself in. In the diagramed deal Gulko claimed another victim of a favorite officeat line of play. Reynaldo Vera of Cuba. Vera's casual acquaintance with it fostered Gulko's

It is likely that when 2 ... Bg4 was first tried, the idea was to give White



tion after 38 Nh2

| doubled f pawns, but an Illescas Cor- | ` (| OLD INDIA | N DEPENS | E |
|--|---|---|---|---|
| doba-Spangenberg game saw White gain a slight but effortless superiority after 3 c4 ft3 4 ef c6 5 Nc3 Nt6 6 d5 g6 7 Bd3 Bg7 8 O-O-O 9 Rel. This was not what Gulko had in mind; be just wanted to get his bishop out before mobilizing with 3 Nd7 4 Nc3 e5. One benefit was that after 5 e3, White had a rather timid-looking center. Gulko took advantage of that by advancing with the ambitious and slightly loosening 8 f5!? Vera's 9 c5 was intended to forestall Gulko from leisurely building to a powerful cluster of center pawns. But after 12 Ngf6, it | White
Vera
1 d4
2 Nd3
3 cf
4 Nc3
5 e3
6 h3
7 Be2
8 O-O
9 c5
10 cd
11 Nd2
12 Qe2
13 Nc4
14 Ns
15 Nd2 | Biack
Gulko
d8
B84
Ng7
e5
c6
Bh5
Be7
f5
e4
Bd6
Be2
Ngf6
Bc7
b6 | White
Vera
16 Rd1
17 Nii
18 8b2
19 24
20 ef
21 Qef
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24 hg
25 Khi
27 ts
28 Bcl
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29 Nh2 | Biace
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Bh2 |
| could be seen that Vera had a bad bish- | 15 Nd2 | Qe/ | 31 Resig | |

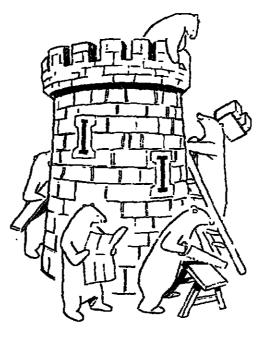
that Gulko, controlling a preponderance of kingside space with his e4 pawn, d5? because 16... Qe5 wins the loose c3 would soon be ready to attack in that

While Vera went ahead with his queenside plan, Gulko struck a power-Vera should have anticipated this by ful blow with 19 ... f4! Vera could not vering his d2 knight, with 14 Nc4 and 15 proceed with 20 ab? because 20 . . . f3 21 Qd2 fg 22 Kg2 Qg5 23 Ng3 Nc3 24 Bc3 Ne5, to where it could both squelch Black's objective and serve as a spring-

The exchange of queens with 23 Qg4 Qg4 24 hg failed to stop Gulko's attack. After 24. . . b4 25 Na2 Ne2 26 Kh1 Nd5 27 f3 Re6, Vera had to stop the mating 28 ... Rh6 with 28 Bc1 Rff6! 29 g5 After 29 ... Rf5!, he should have played 30 g4, bit after 30 . . . Rf3, the b3 pawn is en prise and cannot be guarded by 31 Rb1 because of 31 ... Nec3. On 31 Kg2 Rb3, Gulko would be threatening 32 . . .

Re4 as well as 32... Bb6. After 30 Nh2 Bh2, Vera could not

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Julius Bär

THE FINE ART OF PRIVATE SAMEOUS

After 30 No.2 BD2, Vera could not recapture because 31 Kh2 permits 31.

Rh6! gh 32 Rh5 mate. Vera gave up.

Rh6! gh 32 Rh5 mate. Vera gave up.

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The Big Split In New York

Fewer Shows on the Runways

By Suzy Menkes

VEN before the American fashion week opened Monday, a shiver was running through the fash-ion world. Was it the split New York season — the first half of which was shown in September - that was causing shows to fall from the calendar like ninepins? Or is it a precursor to a major shakeup, as designers question the prohibitive cost (around \$500,000) and the useful purpose of a runway show?

The first shock came from the closure last month of

Isaac Mizrahi's business.

The second to leave the stage is Todd Oldham, whose wacky, colorful clothes made an eye-popping spot in the New York season. After recently showing his clothes on film, Oldham has decided to shut down his signature collection, except for his own SoHo store and private clients, and concentrate on promoting a lower-priced line and his jeans collection.

Also off the runway for this season are Stephen Sprouse, whose graphic designs have had a checkered commercial career, and Halston, a label whose revival of the late designer's name seems to be stalling.

Richard Tyler, known for his glamorous West Coast

evening gowns, has also announced that he is taking a rain check on the spring season. He is presenting his collection in his Gramercy Park mansion - but not as the habitual

On the plus side, a downtown designers' fashion event named S.O.S. for South of Seventh (Avenue) has brought together new, young talents and given them a structure. But the schedule of main shows organized by the Council of Fashion Designers of America is now dominated by established names like Bill Blass, Geoffrey Beene, Carolina Herrera, Ralph Lauren and Oscar de la

Renta, and by commercial Seventh Avenue companies. It is hard to weep for high-earning models who will be one casualty of the reduction in upscale shows. But what about the designers who hope to parlay a small business into a major brand - as Donna Karan and Calvin Klein (who showed in September) did before them?

Marc Jacobs, who also designs for Louis Vuitton, at least has the French company's backing to present his signature line. And Anna Sui, one of the few newgeneration American designers with a strong personality, is still showing this week. She said her secret was that she was not dependent on a backer demanding quick returns but had built up her own business slowly, using her work for an Italian company as additional support.

"I don't think many partners would wait 10 years to capitalize on an investment and 15 years before opening a boutique, as I did, "she says. "But I am my own business and with my stubbornness I believe I'll make it."

Whether this is a blip in the New York calendar or a long-term shift will be revealed next season, when all the designers will present their collections in unison in mid-

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Simon Doonan with some of his supporting cast, top, and one of his current windows for Barneys New York, starring Margaret Thatcher and friends.

Storefront Confessions



Funky Tales From the Man Behind the Window

By Suzy Menkes International Herald Tribune

EW YORK - Simon Doonan is the world's most renowned window dresser. If that sounds like an oxymoron, he would be the first to admit it, being acutely aware of the fluffy, nancy-boy image of his much ridiculed profession.

Yet he revels in that stereotype and has turned his antics with a glue gun and a bunch of bokey props into a witry, entertaining and even touching autobiography.

As the creator of funky windows for

Barneys New York and as a retail court jester to the Pressman family, which founded the store, Doonan, 46, has entered fashion's hall of fame. And not for want of banging frenziedly on its door, since he first pirouetted in a black tulle skirt in the backyard of his dysfunctional British family home. His mother and father, preoccupied with their congenitally mad Irish relatives, just smiled indulgently.

Now the ultimate accolade awaits. "Confessions of a Window Dresser. Tales From a Life in Fashion" (Penguin Studio) has

already been optioned for a movie. Doonan's windows, a mix of camp, kitsch and an acute sensibility to changing fashion, are legendary. The hallmark of the window displays, which he has created and brutally always smiling sardonically at itself.

and ironic take on things - and I have used from Magritte-style windows with painted with windows featuring a stuffed coyote (he hobby for the last three years," he said.

Python, or the green-sprayed kitchen hung with red socks "that screamed Christmas in a

totally insane way."
Right now, Barneys' Madison Avenue windows celebrate Doonan himself and his "obsessions": an homage to Fred Pressman, his elegantly disheveled mentor who died in 1996; an off-with-her-head Queen Elizabeth, among other decapitated celebrities; a naked Margaret Thatcher emerging from a box, and a shrunken version of his own impish face and

ventriloquist dummy" physique. Other windows have been seductive, as in 1986 Chanel models among tulle-shrouded chandeliers, or freaky, as in a stuffed cat as headgear in 1979. That was one of a host of furry friends, some uninvited. He has tales of rodents scampering through the displays, nib-bling at the breadstick Christmas tree or at the gingerbread house made of pasta --- a monthlong labor of love containing a gorgeous, glam drag-queen effigy of Sophia Loren.

Barneys' celebrity caricatures of the early

1990s, presenting everyone from a compliant Madonna through a lampooned Ivana Trump, underscored the cultural collision of fashion and fame — and brought Doonan himself into the limelight. He traces the celebrity culture back to Andy Warhol "the patron saint of contained clutter teetering on the brink of the Whitney Museum of American Art to re-

dementia. They express an avant-garde that is create his 1989 Warhol window as an exhibit. The essence of Doonan's work, shown in "Being English gives me a more satirical 200 color plates in the book, is the surreal, by the L.A. police and he caused a public furor about writing the book: "It was nice to have a

headless dummies.

"Mannequins are the high-octane gasoline that fuel the throbbing engine of my window-dressing Lincoln Continental," he claims. In Barneys' midtown studio lies a mortuary

heap of mannequins. A quick flip over, and the upended dummies turn into glazed superstars. "Subconsciously or consciously, sex is a theme," he says of the mannequins. "Essentially it's about stripping people and dressing them — the central thing is that you are

aling with naked bodies." In the antobiography, Doonan lays himself bare. The story begins in small-town Reading in the "monumentally dismal" postwar 1950s, when magical store windows became bright lights luring the young Doonan away from his lobotomized grandmother, schizophrenic uncle and blind aunt to the "fanta-

bulosa" world of retail display. He describes it as "growing up gay in a house filled with lunatics" and recalls his "nutty family" standing to attention "next to a crackling radio" whenever "God Save the Queen" was played — yet at the same time devouring the satirical anti-establishment

magazine Private Eye.

His self-mocking humor and drollery may come from his roots, but Doonan has never en Cool Rumin he got his green card to work for Maxfield in Doonan only in terms of the inexpensive California in 1978 at the age of 26. There, his windows he put together using toilet tissue fashion-victim bondage pants were laughed at and in a dry, quintessentially English aside

that to create a signature look," he says. Think of mannequins laid out in coffins à la Monty around a giant deflated dress and the current from its pram.

He moved on to New York, to a stint with Diana Vreeland, indomitable fashion editor turned costume curator. Then came the introduction to Gene Pressman of Barneys in 1986 and the ascent through "the glass ceiling: and the lavender ceiling."

The book ends with our hero, anxious that

his camper-than-thou profession should not bedoomed to extinction by modern marketing, offering a hilarious list of do's and don'ts. "Do debunk, lampoon and satirize," is one of his Ten Commandments.

HAT are window displays for? They are, he says, a store's bill-board, street-level advertising campaign and image maker.

They might make customers smile, incite a lust to buy - or make them mad.

_ 5°

Doonan revels in the low-tech, hand-made effects: tissue-box holders transformed into Oriental screens, or kitsch Christmas trees

dangling (to public fury) with condoms.

"Creative fulfillment without compromises," Doonan says of Gene Pressman's unsting support for his "infamile, cure self."

Despite a tongue-in-cheek disclaimer, there is a total lack of fromy about his employees. ployers. Barneys' over-expansion and fall in-

Romantic, Recurring Airs From the 18th Century

International Herald Tribune

TEW YORK - As remote as John Glenn orbiting outer space — that is how most folk would view the artifice and extravagance of the Marie Antoinette era, with its too-wide-for-the-door-jam skirts and

Yet to Richard Martin, curator of the Metropolitan Museum's Costume Institute, that period's influence is ever present.

In "The Ceaseless Century: Three Hundred Years of Eight-eenth-Century Fashion" (until Nov. 29), he traces links to that courtly past, from Worth's ball gowns and Dior's New Look, through Christian Lacroix's pours and a 1998 gown made by

the Belgian designer Olivier Theyskens.
What do all these have in common? Martin sees a yearning for romantic, decorative clothes in succulent fabrics. Or as Philippe de Montebello, director of the Met, puts it: Today's designers are looking for an "escape from modernism's temperance and discipline."

The show focuses on delicate embellishment, with ruffles of rosebuds, icing-sugar lace and flower embroideries spilling over ruches and flounces. Some of the most poignant pieces are dense floral embroideries, meticulously stitched, but never made up, because the French Revolution intervened. You can imagine marquis or comtesse going under the guillotine, think-ing of the embroidered vest or bodice that might have been.

Dandified menswear has been revived mostly as a cross over, meaning women wearing frock coats, like Jean Paul Gaultier's 1994 buttermilk organdy redingote. It is easy for couture designers to borrow from the past with

heavy-handed gestures. The charm of the original dresses is their meringue lightness. And this show, drawn entirely from the Met's own archives, gives some of the loveliest dresses American walking gowns in sprigged taffeta, as much as panniered French robes — a fresh airing.

Sugar-sweet dresses from a German fashion magazine of 1790: Chanel's rococco-inspired dress of 1990-91.



CROSSWORD

Thursday

TribTech explores and explains the breakthroughs that drive technological achievement in the Information Age, as they transform business strategies around the world and bring excitement and entertainment to daily life at home. Revolutionary ideas, fresh applications, hot new products, time-saving software. cutting-edge gadgets - vou'll find out about it in TribTech.

Every Thursday in the International Herald Tribune.

THE WORLD'S DAILY NEWSPAPER

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SPONSORED PAGE

ELECTRICITY PARTNERS AND CLIMATE CHANGE: THE BUENOS AIRES DEBATE

CLEAN ELECTRICITY **CONSUMPTION**

EDUCATING THE CONSUMER ABOUT CLEANER ENERGY

Electricity from a source that does not emit CO: means cleaner air and support for the Kyoto goals.

the Conference of the Parties tising and marketing, it comto the UN Framework Con- municates a message about vention on Climate Change, the product that may inform taking place in Buenos Aires consumer choices, thereby till Nov. 13, consumers will influencing consumer deinevitably be reminded of mand," their own role in helping to
protect the environment. But
In other words, industry
must make available to conwhile every individual can sumers the products and serplay a small part by switch- vices that will help them play ing off lights when leaving a a role in protecting the enroom, for example, the real vironment that goes beyond changes have to come from such token measures as re-

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sible for around 40 percent of they consume large amounts carbon dioxide emissions, of energy. the major component of the greenhouse gases that cause Information, please global warming. While the Electricity providers are also percentage of CO2 emissions changing their ways and varies from country to coun- stepping up communications try, with the United States in efforts to enable consumers the lead by far with nearly 20 to make informed decisions metric tons emitted per in- about the use of electricity. In habitant, compared with some places, such as Masaround nine for Japan, just sachusetts, power providers over six for France and are required to reveal to cusaround two for China, emis- tomers the sources of elecsions are expected to increase tricity generation and its polin developing countries as lution content. Power lations grow.

The current goals The Kyoto Protocol, adopted they use be produced in December 1997, calls for cleanly. cooperation among governof energy efficiency, reform tional campaigns to advise fiscal measures and market domestic electricity in imperfections, limiting France shows that total con- environmentally

carbon "sinks." ments will be held responsible for the fulfillment of by the year 2010 could be cyclable when their life is

Served. Products also per year compared dinary detergents.

Consuming clear these goals, it is up to in- achieved through the use of over dustry to make the necessary improved insulation, rational changes. The World Busiconsumption management changes and household equipment. ness Council for Sustainable and energy-efficient appli- ally sound production is too the strengthening of research Development, in its publication "Sustainable Production and Consumption: A Busi-

ness Perspective," places the responsibility squarely on the sumption chain," the report encourages energy conservasays. "It makes decisions on vices, pusilises used a saled a consumption make intermediate consumers more some of goods and services available to consumers more some day in the proportion of electricity emits proportionally less CO₂. ●

ith the eyes of the as well as of the raw maworld on the terials and energy needed to Fourth Session of make them. Through adver-

cycling bottles and paper -Worldwide, the produc- processes that in themselves tion of electricity is respon- are controversial because

their economies and popu- providers there are also finding that businesses as well as individual consumers are de-

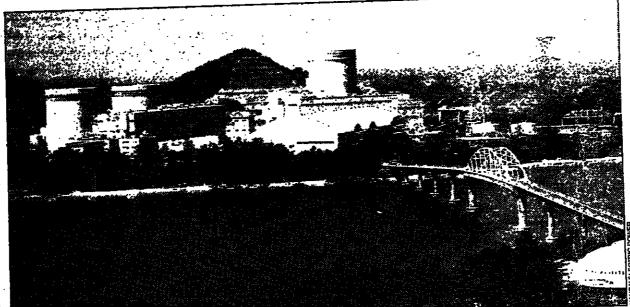
In France, Electricité de ments for the improvement France sponsors informaof the energy and transpor- individuals and companies tation sectors, promotion of about the most efficient use renewable forms of energy, of electricity. A study conphasing out of inappropriate ducted by EDF on the use of

manding that the electricity

waste management and en- hours (TWh), including 27 ten

ciency within the company while sponsoring public- gives the example of comproducer to ensure both sus-tainable production and con-sumption. "Business is intion among consumers.





ssions from sumption is 121 terawatt products. To ensure this, atergy systems, and the pro- percent for electric space step of the production protection of forests and other heating and 55 percent for cess to see that waste is min- for every 1,000 washloads other uses such as household imized and energy con- and 500 tons of solid waste While national govern- appliances and lighting. An served Products must also per year, compared with or-

> of Japan promotes eco-effi- using fewer materials and from developed countries to less energy. The WBCSD developing ones. pact powdered detergents. rather than other fuels aids in

But education is just one detergent comes in are made sumes, while a diesel engine the design, manufacture and delivery of goods and serpart of ensuring sustainable partly of recycled materials uses a maximum of 30 pervices. Business itself is also a energy use. Industry is also and use far less material than

sound showed that use of these 700 mega joules of energy

Consuming cleanly begins with the improvement of the they actually save money by the transfer of technology

The use of electricity Their smaller volume means clean consumption because less packaging material, less of its higher efficiency. EDF extricably involved at every employees special environ-extricably involved at every employees special environ-stage of the production/con- mental training and actively spent in shipping and disenergy used and less money gives the example of an elec-The plastic refill bags the cent of the energy it con-



RECYCLING IS A KEY WAY TO CREATE AND SAVE ENERGY

Today, it is possible not only to recycle materials, but also to use them to produce electricity.

aste has become an expensive burden on society and the environment. Finding places to store it is increasingly difficult and costly, and leaks from landfill sometimes contaminate groundwater, necessitating expensive cleanups. Another solution, incinerating waste, auses air pollution.

A report called "Energy Wise Options for State and Local Governments," by Michael Totten and Nita Settina, cites a Japanese saying about wastes: "Mix them and you get garbage, separate them and you get resources.

One of these resources is, surprisingly, energy, and electric companies are getting involved in recycling in a variety of ways. In France, some 10 percent of industrial and household waste is recycled by three subsidiaries of Electricité de France, the national electric utility: Tiru, Pronergies and Cyclergic. Pronergies manages the city of Strasbourg's incineration plants and uses a sorting unit to separate out slag, iron, other metals and scrap, selling the slag for engineering steam from the incinerator and sells it to local industry.

At the waste processing plant in Pontenx-les-Forges, Cyclergie has installed a system that compacts waste into odorless bales and stores them in ventilated hangars, providing a solution to the problem of seasonal fluctuations in waste volume.

Tiru operates a sorting and recycling operation in Ivry and another one in Chambery that specializes in the recycling of electric and electronic products. Recycling can save energy in other ways. The Totten/

Settina reports states that "90 percent less energy is needed for remanufacturing aluminum or plastics, 50 percent for steel or paper and upward of 30 percent for glass." When a ton of steel is recycled, according to the report,

there is a savings of "some 25 tons of water use, nearly three tons of mining waste, 200 pounds of air pollutants and 100 pounds of water pollutants.

Tokyo Electric Power Co. (TEPCO) in Japan makes use of technologically sophisticated district heating and cooling systems to create energy from the waste heat emitted by incineration plants and substations and from temperature differences between river water, sewage and outdoor air.

Another way that industry can help in the effort to create less waste is by making its products with their eventual recycling in mind. Many manufacturers are already designing new products not only for their useful life spans but also for their afterlife. The U.S. Department of Energy's Argonne National Laboratory and the Appliance Recycling Centers of America, Inc. of Minneapolis, for example, have teamed up to study ways of separating out and recycling high-quality plastics from refrigerators, freezers, dishwasher and other household appliances.

Some parts of automobiles have always been recycled to repair other vehicles, but now car manufacturers are even making new vehicles with recycled materials. The World Business Council for Sustainable Development, in its report
"Sustainable Production and Consumption: A Business Perspective," cites the case of Saturn, a division of General . Motors, which reprocesses used and damaged plastics from its cars in the making of new ones. If the company makes 300,000 cars in a year, this practice can save it \$3 million a year.

Kansai Electric Power Co. of Japan has applied the recycling concept in innovative ways, using thermal discharge from its own fossil fuel and nuclear power stations to cultivate fish and shellfish, conducting research on their growth and then releasing them into the ocean to aid the local fishing industry. Thermal discharge is also being used to heat

Both TEPCO and Kansai have active "precycling" programs designed to generate less waste. They also reprocess everything from sludge, soot and dust to metal, glass, oil and plastic. Insulator scraps make a commercial water-permeable paving material that keeps pavement temperatures low in summer and resists tire-chain damage in winter.

Electric companies have had another bright idea: recycling fluorescent lighting tubes and mercury vapor lamps. Provalor, a joint subsidiary of the German electric company RWE and France's EDF, recycled 1 million of them in 1997. ●

Energy is not just a subject for scientists. It touches everyone's life.

The Kansai Electric Power Co. is also looking for ways to use energy more efficiently in buildings. Since it is more energy-efficient to generate electricity with a constant output than to stop and start production according to demand, the company is conducting research on the sodium sulfur and Redox Flow battery, which can store excess electrical power during the night for use during the day. Both TEPCO and Kansai have also developed an energy-efficient ice-storage air-conditioning system called Eco Icc.

EFFICIENT ENERGY USE IN BUILDINGS

Energy providers are promoting new ways for their customers to reduce both waste and costs.

Thile motor vehicles and industry are usually blamed for environment-damaging carbon dioxide emissions, buildings are in fact responsible for conditioning and adapted lighting.

In cooperation with ADEME (Agence de l'Environment damaging carbon dioxide and office buildings are being installed, while hotels and office buildings are being coupped with reversible airconditioning and adapted lighting. around half of such emissions, mostly from their heating and air-conditioning systems. New ways of building and equipping homes and offices must be found that will reduce energy consumption and harmful emissions while providing a combrtable interior climate.

Such measures can also result in reduced costs and at the same time help to protect the environment by conserving energy. The Energy Cost Savings Council estimates that in the United States, a reduction of 40 percent in energy costs a savings to businesses of \$28 million per year — is possible through the use of new technology in office buildings. The council points our that since electricity accounts for 80 percent of the cost of lighting, just the choice of a more efficient lamp can save money.

In France, about one-quarter of the country's 26 million homes are heated with electricity, resulting in a 20-millionton annual savings in carbon dioxide emissions. Electricité de France, the national electric utility, provides a free service to advise people moving into electrically heated homes on how. to get the most out of their household appliances and reduce their electric bills. In 1997, EDF launched Vivrélec, an ctric heating package for newly built housing. It includes 10 percent more insulation than is required by law, reducing consumption by around 20 percent, a range of built-in or independent heating systems, depending on the type of building simple appliance regulation and programming systems, and advisory services. Some 35,000 homes are

Dan Yest Interface currently being built with Vivrelec. EDF is also developing new, economical solutions adapted to different commercial needs. In supermarkets, heat released by neezer condensers and religious analysis recovered and used to hear storerooms. In schools, radiant appliance such as freezers and refrigerators.

vironment and energy management agency, EDF also conducts diagnostic studies to help businesses rationalize their use of energy. Studies conducted at Carrefour superstores showed that air-conditioning accounted for only 8 percent to 9 percent of electricity consumption, much less than expected, while refrigeration accounted for nearly half, much more than expected. As a result, Carrefour will concentrate on improving the efficiency of its refrigeration systems. EDF also advises local authorities on how to rationalize their electricity consumption, with a resulting drop in consumption of 12 percent by square meter of heated building, and by 35 percent by street light.

In Japan, power providers are also helping consumers to reduce and rationalize their energy consumption and save money. Tokyo Electric Power Co. (TEPCO), for example, invests in the development and promotion of high-efficiency systems and equipment, and supplies customers with information on energy conservation. In June, the company sponsored a home consultation campaign on electrical safety and energy conservation, visiting homes on demand and providing practical advice to its customers.

TEPCO is also developing such products as thermal storage air-conditioning systems for industry that can cool or heat air and heat water. Their higher efficiency allows an annual energy savings of around 13 percent and a reduction of up to 25 percent in CO₂ emissions. For private homes, TEPCO is developing and promoting energy-saving equipment such as the High Eco 5, a multifunction heat pump system for heating, air conditioning and water heating. For commercial enterprises, TEPCO offers Eco Vendor, an energy-saving soft drink vending machine, and other efficient



Thanks to technological advances, energy is cleaner and more efficient than ever. Nuclear plants are now an ordinary part of the landscape in many countries (e.g., Japan, second photo from top).

"ELECTRICITY PARTNERS AND CLIMATE CHANGE: THE BUENOS AIRES DEBATE"

was produced in its entirety by the Advertising Department of the International Herald Tribune. It was sponsored by Electricité de France, Kansai Electric Power Co., Inc. and Tokyo Electric Power Co., Inc. WRITER: Heidi Ellison in Paris.

PROGRAM DIRECTOR: Bill Mahder.

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TUESDAY, NOVEMBER 3, 1998

Coca-Cola's Global Wager

Despite Fizz in Its Shares, Firm Faces an Uphill Battle Abroad

Coke 19 years ago, Coke is adept at wringing profit out of its most remote operations — patches of jungle or desert, remote islands and other spots he calls

"upcountry." With a touch of scorn, he added: Eighty-five percent of the places we do business in

are tough, and they've always been tough. A lot of companies rushed in and got some of the cream that

was rising to the top."

It's brave talk. But can Coca-Cola weather so

many simultaneous flare-ups when it is so dependent

on overseas earnings? Is its bet on global growth so big as to be too risky? Does the situation spell

Coke itself is making no predictions beyond the fourth quarter of this year, when it has said earnings will be down compared with the like period in 1997. And this comes on the heels of a third quarter in which earnings were down 12.2 percent.

investors are offering a tentative vote of confidence.

With the encouragement of analysts who were impressed by Mr. Ivester's calm demeanor in delivering his earnings warning at a meeting in late September, they have bid the stock up from a low of \$53.6875—but not yet back to its high in mid-Inly of \$88.9375

but not yet back to its high, in mid-July, of \$88.9375.
But the market is not always a shrewd judge when

it is infatuated with a stock. Given Mr. Ivester's

talking down of expectations for the rest of the year,

investors are paying a price/earnings multiple of 46

for the company.

The risks for companies like Coke are "becoming the risks for companies like the risks for companies like like the risks for companies like companies like like like the risks for companies like like like

clearer," said Leah Modigliani, an equity strategist for Morgan Stanley Dean Witter, "but they were

really there before as well." Coca-Cola and other

global consumer marketers such as Procter &

Gamble Co. and Gillette Co. may be great companies,

she said, but sometimes "great companies shouldn't

In Coke's favor are its management, deep with people who have broad international business ex-

perience, and its deep pockets, which allow it to invest heavily at any time. Working against it are the

global uncertainty that continues to preoccupy investors and the question of whether the company will

need to spend abnormal amounts to generate the

through this much turmoil on such a broad-based

Merrill Lynch & Co.

Mr. Ivester has the added burden of having fol-

lowed a legend: the genteel, Cuban-born Roberto Goizneta, who died of complications from lung can-cer in October 1997. Mr. Goizneta was revered by

almost everyone who holds even a splinter of Coke

stock for his relentless focus on shareholder value.

During his 16-year tenure as chief executive, the

company's book value mushroomed from \$4.3 bil-

See COKE, Page 14

'It's been a long time since they've had to manage

said Doug Lane, a beverage analyst for

really be confused with great stocks."

extended weakness for company earnings?

By Constance L. Hays New York Times Service

ATLANTA - The World of Coca-Cola, which on the cultural scale falls somewhere between legitimate museum and Disney-style extravaganza, is one of Douglas Ivester's hangouts. Once a month or so, he likes to pop in, gaze at the exhibits of Coke ephemera and eavesdrop on the tourists crowded around.

The other day he spied a jukebox, punched up a bouncy 1930s time, the "Coca-Cola March," and lingered for a moment to listen.

"Doesn't it just make you want to get a flag and march," he asked, "and then go attack the world?"
For Coca-Cola Co., attacking the world — with or without musical accompaniment — has become a lot harder lately. Just one year into his tenure as chairman and chief executive, Mr. Ivester finds himself

leading Coke through extraordinarily bleak times.

Sales have shriveled in miserable synchrony with the collapse of the ruble, the continued economic morass in Japan, worries about an impending monetary crisis in Brazil and an assortment of other ills -

even bad weather in Germany.

Given the state of much of the world, gloom would have every reason to prevail in the corporate world of Coca-Cola, a company that gathers 75 percent of its profit outside the United States and is the archetype of the U.S. multinational corporations that rode the 1990s' promise of an ever-expanding global economy directly into investors' hearts.

But if others confronting today's economic woes seem befuddled - think of the International Monetary Fund, the central banks, the hobbled gurus of the bedge-fund business - Mr. Ivester and his fellow Coke executives exhibit an almost surreal confidence. It is perhaps a byproduct of so many years spent selling a high-fructose caramel-colored bever-

age that, by most measures, people can live without.

That confidence seemed well founded Monday as Coca-Cola shares surged after the billionaire investor Warren Buffett, who controls about 200 million warren punien, who comross about 200 militon shares of the company through Berkshire Harhaway Inc., said he expected good things from Coke despite "hiccups" in other countries that had caused its international sales to fall. The shares rose \$3.50 to close at \$71.0625.

Indeed, ask Mr. Ivester about the inhospitable global atmosphere, and you might soon wonder why you even brought it up. Crisis? What crisis? By his definition, it's business as usual.

"This is a changed environment for people of a certain age," he said, referring to the generation of business people who have only known the 1990s expansion. But for the Coca-Cola Co., it's nothing new. We've worked in these environments for years. We go to a country to stay. We don't go to a country

After all, said Mr. Ivester, who is 51 and joined

What the World Needs Today?

Coca-Cola derives three-quarters of its profits from outside the United States. With today's global economic woes, Coke's sales growth is slowing worldwide.

share of worldwide

from 3d qtr.

. from 3d qtr. a year ago

Case volume: Unchanged from 3d ctr.

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Case volume: 9%

Case volume: 21% in the first from 3d qtr. half of this year

Sources: Bioomberg Financial Mark the Coca-Cola Company

Losses Cost Citigroup An Heir Apparent

Head of Salomon Unit to Leave in Shake-Up

NEW YORK — Citigroup Inc. said Monday that James Dimon, its president and heir apparent to its co-chairman, Sanford Weill, would leave the world's largest financial company less than two weeks after the investment-banking unit he oversaw revealed a \$1.33 billion

Deryck Maughan, who with Mr. Di-mon was co-chief executive of the com-pany's Salomon Smith Barney Inc. unit, was made a deputy chairman of Cit-

igroup, the company said.

Mr. Maughan will oversee the integration of investment and commercial corporate banking and the company's activities in Japan, but he will not have a management role.

The company appointed Victor Me-ezes, co-head of corporate banking, and Michael Carpenter, a deputy chairman who led Kidder, Peabody & Co. before it collapsed four years ago, to be heads of the combined investment and commercial banking business.

The shake-up comes a month after Citigroup was created from the merger of Travelers Group Inc., headed by Mr. Weill, and Citicorp, headed by John Reed. It follows trading losses at Salomon Smith Barney that caused a 65 percent drop in the new company's

third-quarter earnings.
The departure of Mr. Dimon, 42, shocked analysts because he was Mr. Weill's protégé and deputy for more than 15 years, helping to build Travelers, whose stock surged 42 percent a year on average since 1993, almost double the rise in the Standard & Poor's 500-stock index.

"Nobody thought Jamie would leave," said Raphael Soifer of Brown Brothers Harriman, referring to Mr. Dimon. "But there were major losses at Salomon Smith Barney. When teams lose, coaches frequently go." Late last week, an analyst at Don-

aldson, Lukfin & Jenrette Inc., Joan Solotar, lowered her rating on the company to "market perform" from " and the investment bank Warburg Dillon Read cut its rating to "hold" from "strong buy."
Citigroup's shares fell \$1 Monday to

Mr. Dimon did not return phone calls

James Dimon, 42, whose resignation was announced Monday.

seeking comment. He is the latest finance-company executive to leave his job after tumbling markets saddled his firm with losses, a group that includes David Coulter, the former chairman of BankAmerica Corp., and Daniel Na-poli, former head of risk management at Merrill Lynch & Co.
The departure of Mr. Dimon removes

a potential rival to Mr. Reed, 59, as eventual successor to Mr. Weill, 65. Citigroup has 100 million customers in 100 countries and offers products and services from insurance, consumer banking and mutual funds to investment banking and international lending.

"I always thought he was very competent," Charles Schwab. co-chief executive of Charles Schwab Corp., the largest U.S. discount and on-line broker, said of Mr. Dimon in an interview. 'I thought he was the heir apparent to Sandy' Weill.

Neither Mr. Weill nor Mr. Reed was available for comment.

Citigroup disclosed the shake-up while announcing that it would link Salomon Smith Barney with Citibank's corporate-banking activities "to form the world's strongest combined global investment and corporate bank.

Citicorp and Travelers executives had said in May that Mr. Dimon would be president of the combined companies, and Mr. Reed said at that time that he was "very much in favor" of that

Thinking Ahead /Commentary

Learning to Love the Service Economy

By Reginald Dale

a cup of coffee and a sandwich mess days than it tions to low-wage developing countries that need the jobs. And many of wich these days often that you need to master a special lingo just to ask for the coffee (sample: "Give me a decaf tall skim latte with two shots"), but the coffee and the sandwich then have to be made to order individually.

This is the service economy - or at least part of it - in action. In many American towns you won't find facis somehow robbing America of good
tories, but you will find small snack
jobs, and that discontent could break bars with three people preparing sand-wiches and two people making coffee. Not so long ago it was fashionable to slows down and unemployment starts bewail this state of affairs. America

was said to be becoming a nation of hamburger-flippers as low-wage service jobs replaced higher-wage jobs in manufacturing. Foreigners, who had last more of their industry, felt su-

other industrial economies are rapidly following America down the same According to the Organization for Economic Cooperation and Develop-ment, the service sector now accounts

Cuntimure on Page

world's richest nations. ASHINGTON — Buying modern world, it is good. It makes a cup of coffee and a sand-perfect economic sense to transfer labor-intensive manufacturing operathe service jobs in the industrial countries, such as those of lawyers, accountants and computer experts, are

highly paid. Nevertheless, the benefits of this arrangement are not obvious to everyone. There remains an undercurrent of suspicion that economic globalization out more openly as the U.S. trade deficit continues to soar, the economy

Trade will be the first to get the blame for destroying good manufac-turing jobs, depressing U.S. wages and turing jobs, depressing U.S. wages and doing best, although smaller nations such as Denmark excel in some

will be largely a burn rap. As Marvin Kosters of the American Enterprise Institute points out in a new quently nowadays, partly because the study, a striking feature of the U.S. economy as a labor market has been the increasing holy markets has been the increasing demand for highly skilled workers and a relative decline in demand for unjob machine has become more evident and impressive, and partly because the skilled labor. The main reason is not

trade but technological change.
The OECD reaches the same conclusion in a recent report on technology and jobs; which finds that technology both creates and destroys employment.

for about 70 percent of all jobs in the On the one hand, technological advances allow manufacturers to shed This is not only inevitable in the less-skilled workers and bankers to replace people with automated teller ma-

On the other, the report says, as the rich countries move increasingly from industrial to knowledge-based economies, technology is becoming more than ever the engine of economic growth.

Exports from high-technology industries have risen faster than other exports in recent years, and many studies have shown that technological innovation generally creates well-paid jobs. In both services and mannfacturing, companies making extensive use of high technology pay higher

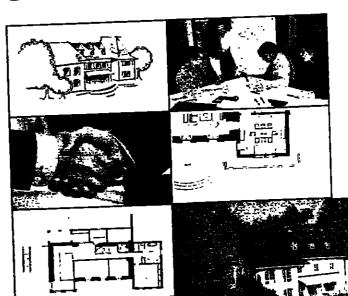
The trick is to adapt the work force to match the needs of technology. That is something the "Anglo-Saxon" countries - the United States, Britain, Canada and Australia - seem to be

In America, the market is clearly working. Many more high school graduates are going to college to acquire needed skills. Ultimately, that could mean relatively fewer people seeking unskilled jobs. But people will still want sandwiches and decaf tall cafe lattes. So either robots will have to make the sandwiches or humans will have to be paid more.

E-mail address: Thinkahead@washpost.com

Private Banking

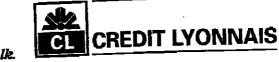




Man was born to build and he aspires to pass on bis accomplishments to future generations. That is wby, when you built the bome of your dreams, you wanted to make sure it would last for a long time.

You called upon professionals who shared with you their valuable experience and advised you on the best materials. At Crédit Lyonnais, you'll find such skilled specialists in the field of Private Banking. Get to know them. They know how to listen well, so you'll benefit fully from their in-depth experience to help make your plans for years to come a reality.

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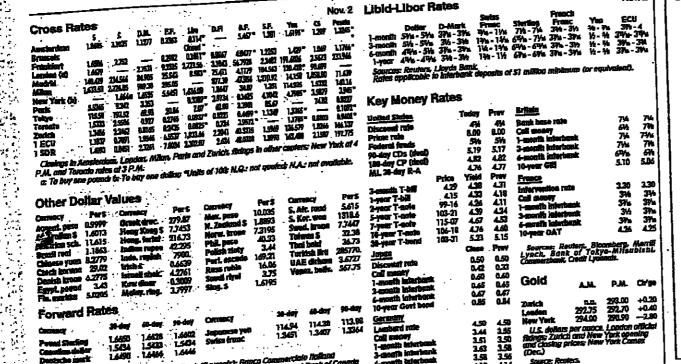


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CURRENCY & INTEREST RATES



THE AMERICAS

Investor's America 30-Year T-Bond Yield JJASON Prey. % Exchange 8705.15 8592.10 +1.33 1111.60 1098.69 +1.18 U.S. S&P 500 S&P 100 544.64 536.57 NYSE Composite 551.24 +7.45 543,35 US. Nasdaq Composite 1800.88 1771.53 +1.66 U.S. AMEX Composite 656.62 545.41 +1.74 6315.50 6208.60 +1.72 Toronto TSE Index 7047.40 São Paulo Clased BOYSSDE Mexico City Boise 4074.86 A74.53 457.46 +3.73 3433.96 3396.81 +1.09 IPSA General 3719.41 3631.22 +2.43 Capital General Source: Bloomberg, Reuters

Very briefly:

• PP&L Global Inc., an energy distribution company af-filiated with the Pennsylvania utility PP&L Resources Co., is buying electricity generation plants in Montana that are owned by Montana Power Co., Puget Sound Energy Inc. and Portland General Corp. for nearly \$1.6 billion.

• BMC Software inc. plans to acquire Boole & Babbage Inc., a software company based in San Jose, California, for 5900 million in stock.

• AT&T Corp. expects to hire more than 1,000 people to sell phone and data services to corporate customers, even as it cuts

• Crescent Real Estate Equities Co., controlled by the billionaire investor Richard Rainwater, and Reckson Associates Realty Corp., a New York-based property owner, called off their \$734 million purchase of the New York office developer Tower Realty Trust.

 CMS Energy Corp. agreed to acquire Panhandle Eastern Pipe Line Co. from Duke Energy Corp. for \$2.2 billion. Panhandle's assets include 11,500 miles of natural-gas pipelines in the central United States. AP, Bloomberg, Reuters

Weekend Box Office

The Associated Press LOS ANGELES -- "John Carpenter's Vampires" dominated the U.S. box office over the weekend, with a gross of

Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday.

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| The Trib Index | | | Pricas as of 4:00 P.M. New York time. | | | |
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| 88.15 | + 3.75 | + 4.44 | - 824 | | | |
| 217.99 | + 3.70 | + 1.73 | + 12,92 | | | |
| 256.00 | + 2.80 | + 1.11 | + 18.52 | | | |
| 87.18 | + 0.93 | + 1.08 | 42.90 | | | |
| | | | | | | |
| 251.95 | + 2.48 | + 1.03 | + 21.97 | | | |
| 233.41 | + 4.86 | + 2.13 | + 11.29 | | | |
| 197.86 | + 2.51 | + 1.28 | + 1.49 | | | |
| 127.35 | + 2.93 | + 2.35 | - 3.57 | | | |
| 179.88 | + 1.84 | + 1.03 | + 20.02 | | | |
| 171.22 | + 2.65 | + 1.57 | - 2.38 | | | |
| 197.47 | + 3.40 | + 1.75 | + 13.29 | | | |
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Stocks Rise as Investors Put Trust in Fed

NEW YORK - Stocks rose Monday on confidence that the Federal Reserve Board will do whatever it takes to keep the U.S. economy growing as Japan and other Asian countries founder.

The Dow Jones industrial average rose 114.05 points to close at 8,706.15, while the Standard & Poor's 500 index finished 12.93 points higher at 1,111.60.

The Nasdaq composite gained 29.49 points to 1,800.88, and gaining issues outnumbered losing ones by a 3-to-1 ratio on the New York Stock Exchange.
"The market is so strong that you

cannot afford to sit back and let it pass you by, especially when you see strong advance-and-decline numbers like this," said Frank Gretz, a technical analyst at Shields & Co.

Blue-chip stocks dropped almost 20 percent from their record high in mid-July through Aug. 31 on con-cern that the U.S. economy was losing steam after eight years of expansion. But when the Federal

U.S. STOCKS

Reserve Board cut interest rates on Sept. 29 and Oct. 15, investor optimism returned. The Dow rebounded 15 percent in October, its biggest one-month gain since 1987.
"It was sheer terror for the past three months," said Philip Tasho, chief investment officer at Riggs Investment Management Corp. Now, he said, investors realize "we're not in a recession and there is still no inflation," and earnings are meeting

or exceeding expectations.

The renewed enthusiasm for

stocks sapped demand for Treasury bonds, and the price of the benchmark 30-year issue fell 1 7/32 point to 103 31/32. The yield rose to 5.23 percent from 5.15 percent Friday.

Ciena was the most actively traded stock, rising 4% to 21 13/16 on speculation that the top seller of equipment to increase capacity of phone networks would soon unveil a contract with a new customer. Several small mergers or acqui-

sitions also lifted the market. AquaPenn Spring Water rose 2 15/ 16 to 12% after Danone Group agreed to buy the bottled-water company for \$112 million. Paris-based Danone already sells bottled water under the names Evian, Volvic and Dannon.

LandCare USA rose 11/4 to 91/4 after ServiceMaster agreed to acquire the landscaper in a deal valued at \$265 million in stock, debt as-

sumption and transaction costs. Few takeovers took place from mid-Angust through mid-October as stocks tumbled on concern that recession in Asia and instability in Latin America and Russia would hurt profits. Now, a rising stock market is hares with which to buy others:

"It gives the impression that strategist at Joseph Gunnar & Co. "It's a psychological positive."
Yahoo! rose 14 19/32 to a record

of 145 7/16 after the Internet search directory said it would share content with the Wall Street Journal's Interactive Edition for a new career-

with America Online gaining 71/2 to 1341/s. (Bloomberg, Reuters, AP)

Medtronic to Buy Japanese Banks' Plan Helps Raise the Yen Sofamor Danek

that three major Japanese banks were considering merging their operations, a move seen as a sign that the alliance would improve Yas-Japan is taking action to reform its uda's capital position and help it ailing banking sector.

"These mergers should imply that the strong banks in Japan get strong and the weak banks are closed down and that the remaining apanese banks are in better shape to lend," said Michael Scarlatos, an independent economist.

Japan's stock market rose 2.9 percent on hopes for bank reform in the wake of news that Fuji Bank Ltd. and Dai-Ichi Kangyo Bank Ltd. were considering taking over the pension-

Continued from Page 13

lion to \$147 billion, attracting such august investors as Warren Buffett

and anointing new millionaires all

all but seamless, largely because Mr.

lvester, as company president and

Goizueta confidant, had been integ-

rally involved in top-level decisions

Still, the leadership transition was

over Atlanta and beyond.

trading from 116.085 yen Friday. An executive with Yasuda said

FOREIGN EXCHANGE

address its bad-loan problems. billion rescue package for its banks, which are estimated to be saddled with around \$1 trillion in bad loans.

"The currency markets have gotten very optimistic that we are at a turning point with regards to Japan's economy, 'Mr. Scarlatos said. francs from 5.5477 francs. The But John Rothfield, a currency fell to \$1.6640 from \$1.6745.

hovering in the background.

Sales volume worldwide rose

a No. 2 -

ent company's balance sheet, mov- edged being surprised at the speed

U. S. STOCK MARKET DIARY

certainly off.

NEW YORK — The dollar fell against the yeu Monday on news dollar fell to 114.935 year in 4 P.M. implement would further crimp an economy in recession. He said that prospect probably would help the dollar edge higher against the yen. The dollar also slipped against the

Deutsche mark, pressured by remarks from a Bundesbank council member, Edgar Meister, that German interest rates were likely to remain at Japan recently approved a \$500 3.30 percent until the start of European monetary union in January.

The dollar fell to 1.6535 DM in 4 P.M. trading from 1.6544 DM on Friday. The U.S. currency also declined to 1.3510 Swiss francs from 1.3521 francs and to 5.5451 French francs from 5.5477 francs. The pound

COKE: A Sanguine Outlook as Its Sales Overseas Go Flat

bring to mind those polar bears fea- anticipate these sorts of things." With so many consumers chastened, Coke faces an uphill fight. tured in so many Coke commercials, Mr. Ivester seems to have blossomed in his new role, exuding charm in Brazil, cheaper second-tier brands where he was once the numbers man known as "Tubainas" are cutting into Coke's market share. "Coke is But he now stands alone at the top much better but too expensive." said - he has purposely avoided naming Terezinha Barros Neves, a house-- and Coke's numbers are

keeper in Rio de Janeiro. Mostly, Mr. Ivester's current worry is about how to expand the only 3 percent in the three months business. At a billion servings of that ended Sept. 30, compared with Coke-owned drinks a day, it simply business. At a billion servings of and consolidation of Coca-Cola's

11 percent in the like period a year is not big enough for him.

bottlers that did wonders for the narearlier. And Mr. Ivester acknowl
He likes to point out that people

around the world are consuming 47 with which the global situation un- billion other drinks every day that A man whose posture and stride raveled, saying, "I don't think you aren't Coke.

search service. Other Internet stocks also rose,

For \$3.7 Billion The Associated Press MEMPHIS, Tennessee — Medtronic Inc. said Monday it would expand its neurological business by buying Sofamor Danek Group Inc. for about

\$3.7 billion in stock. Medtronic, the world's largest cardiac-device maker, will pay \$115 each for the 32 million Sofamor shares under terms of the deal.

Shares of Sofamor have surged recently, climbing more than \$10, or about 13 percent, last week. The stock jumped \$8.6875 Monday to close at \$110.3125. Medironic rose \$1.5625 to \$65.5625.

Sofamor specializes in products and surgical instruments for spinal and cranial surgery. Medironic's sales largely come from heart pacemakers and defibrillators.

Sofarnor Danek, based in Memphis, is the leader in the \$850 million worldwide market for technologies used by spine surgeons.

Medironic, which is based in
Minneapolis, had \$2.6 billion in

sales in the year that ended April

30 including \$400 million in the neurology-products business.

Medironic said the acquisition would be neutral in the current year and would add several cents a share to earnings in the 1999-2000 financial year.

INTERNATIONAL FUTURES

In Video Clip, Gates Denies Allegations

WASHINGTON - Bill Gates, giving companies more valuable the chairman of Microsoft Corp., confronted with memos he wrote or received, denied in videotaped testibusiness conditions are better," mony played in court Monday that said Donald Selkin, chief market the software giant had set out to undermine competitors to gain a

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market edge.
A portion of Mr. Gates' videotaped pretrial deposition taken Aug. 28 at Microsoft's Redmond, Washington, headquarters was played at the company's antitrust trial in fed-

The video clips were played as an introduction to the live testimony of the government's third witness, Avadis Tevanian, an Apple Computer Inc. senior vice president In written testimony, Mr. Tevanian said Microsoft had threatened to withhold a new version of a popular software program for Apple's-Macintosh computers if Apple did, not make Internet Explorer the mainbrowser for the computers.

On tape, Mr. Gates was questo tioned about an electronic-mail message he wrote Aug. 8, 1997, asking. Microsoft executives: "Do we have, a clear plan on what we want Apple to do to undermine Sun?"

The government contends that Microsoft set out to "politite lava," the programming language made by Sun Microsystems Inc. to run on any operating system, because the software giant saw it as a threat to its Windows monopoly.
"I don't remember sending it,"

Mr. Gates said in the videotaped

"Any doubt you sent it?" asked a government attorney, David Boies. -Mr. Gates also denied knowing. that Microsoft executives asked Netscape Communications Corp. at. a meeting June 21, 1995, to with, draw its Navigator Web browsing software from competition with the software giant's Internet Explorer. The chief executive of Netscape, James Barksdale, has testified that Microsoft made the proposal at the meeting in his company's Mountain View, California, offices.

The U.S. Justice Department and 20 states are trying to show that Microsoft integrated Internet Ex-plorer into Windows 98 to crush. Netscape and defend Microsoft's monopoly on personal-computer operating systems. Microsoft has argued that the seamless combination of its browser with Windows 98 was intended to benefit consumers, not a destroy Netscape as a competitor.

Nov. 2, 1998 Cliggs Compets Hear Te w According to Beening Beening Cliggs Cliggs Lacons Charle According Medical Compets Findhor Problec Grains CORM (CBOT) 5.000 to minimum- cords per busin Dec vil 219% 716 216% Mar vil 20 226% 227% Mar vil 20 226% Aut vil 20 226% Aut vil 20 226% Sep vil 20 226% Sep vil 20 226% Mar vil 20 226 一門の一門の一門の一門の SOYBEAN MEAL (CBOTT 100 long-dellors per lon Dec 98 146 00 141.00 147.90 Lon 99 146.00 143.10 144.10 Mar 99 190.60 147.00 147.90 May 99 156.50 156.00 156.20 Jul 99 158.00 156.20 156.20 Ext states 15.000 Feb 306.19.127 EURODOLLARS (CMEY) Fris Open for 182,288, of 2,894 Hi GRADE COPPER GROENY 25,000 Brs. - conts per ls. Nov 98 - 72,60 - 72,60 - 72,60 - 40,60 Jon 99 - 72,57 - 72,15 - 72,60 - 40,60 Jon 99 - 72,75 - 72,15 - 72,60 - 40,60 Feb 79 - 72,75 - 72,15 - 72,60 - 40,60 May 97 - 72,30 - 72,75 - 72,60 - 40,60 May 97 - 72,30 - 72,75 - 72,55 - 40,50 Jul 99 - 72,50 - 74,75 - 72,75 - 40,50 Jul 99 - 72,50 - 74,75 - 74,75 - 40,50 Est Soles N.A. Frits Soles 12,777 Frit Sopen for 64,00, off 11,6 SPOR MEB IN FACSON MEDION ALPONO SORGIN REPORT PLC SPS VACE 5,000 bu minimum. Cents per buste Nor '8 560's 551's 551's Jun '9 570 560's 562's Augr' 9 578's 569's 570's Mar '9 574's 579 579 Jul '9 574's 586's 552's Est spies 35,000 Firts spies 52,956 Firth open ind 146,701, cft Ledd SELVER OYCHUG 5,000 tray cz.- chais per tray cz NYSE Nasdag GERMAN MARK (CHER) Market Sales SWISS FRANC (CMER) 125-000 france 4 and 1 FEEDER CATTLE (CMER) \$1,000 (0)... conts per to Nov 91 71.50 Y045 71.70 Nov 92 74.80 74.80 74.70 Nov 74.80 74.80 74.70 Nov 94 74.90 71.25 72.70 Nov 95 74.90 71.92 74.70 Nov 95 74.40 71.92 74.70 Nov 97 74.75 74.50 74.50 Fits copen for 14.840. of 2.45 Fits copen for 14.840. of 2.46 BRENT OIL (IPE) U.S. dollars per barre MEDICAN PESO (MARIO 902,000 Pusos, 5 per peso Dec 19 97715 JPAGS 199854-10020 15401 North 19980 19985 199854-00040 2572 100 99 PORK BELLIES (CMER) 40,000 brs. cents per B. feb 09 44,51 44,51 41,73 May 99 40,20 44,50 44,50 May 99 40,20 45,50 Est soles 1, Fris selen 1, 90 Fits open in 4,495, sp 271 FT3E 180 (LIPPE) ES per index point Dec 194 - 3813,0 3304,0 5563,0 +88,0 303,745 Dec 194 - 3813,0 3304,0 5563,0 +88,0 303,745 May 99 R.7 R.7 5664,0 +92,0 7,560 Est addex 23,750, Peus, soine 27,717 Pers, open int. 222,639 up 36 +1; 28,022 +7 24,457 +7 7,845 +4 7,828 +4 2,171 +8 3,272 US TREASURY BONDS (CBOT)

صكذامن الأمول

ideo Clip, 25 Denies

Investor's Europe

Very briefly:

minister, Yuri Maslyukov, said.

 Russia will print 12 billion rubles (\$747.2 million) by year end to pay wages to soldiers, teachers, doctors and other government-funded workers on time, the first deputy prime

· Britain's government data burean suspended publication of

earnings data until a more accurate accounting method could be devised. The burean acknowledged that figures showing a

rise in average earnings in June, cited by the Bank of England

as the main reason for raising interest rates that month, were

The London International Financial Futures and Op-

ions Exchange will cut its work force in half, to 500, as part of a restructuring program to cut costs and pave the way for

• Volkswagen AG said it had received 200,000 inquiries about

the introduction of its New Beetle model in Europe. VW plans

• Adidas-Salomon AG posted a loss of 271 million Deutsche

marks (\$164.2 million) in the first nine months because of

to introduce the car in Germany at the end of the month.

future collaboration with other institutions.

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EUROPE

Bundesbank and Lafontaine to Face Off

By John Schmid nal Herald Tribune

ERANKFURT—The Bundesbank will "draw a line in the sand" Thursday when Oskar Lafontaine, Germany's new finance minister, attends his first meeting of the central bank's governing council, a European monetary source said Monday.

After the 17-member council endured a month of escalating attacks from Mr. Lafontaine, the central bankers will meet in the secrecy of

respond directly for the first time to the finance minister's persistent calls to create new jobs and growth through easier credit.

Their message to the politician, the official said, will be that Mr. Lafontaine has the right of any citizen to call for lower interest rates, even if such remarks from a politician breach convention in a country where the central bank is more respected than the government.

But council members, who will be free during the meeting to drop

guage, will emphasize that any attempt to undermine the independence of either the Bundesbank or its successor, the European Central Bank, will "reap massive

protest," the official said. "They will say that if you behave like this, we will of course bite back," said Alison Courell, analyst at PaineWebber International in London.

Mr. Lafontaine denied Monday that his attacks undermined the autonomy of the Bundesbank, saying

Britain Decides to Draw Up a Euro Plan

Compiled by Our Staff From Disposition BIRMINGHAM, England — The chancellor of the Exchequer said Monday he was drawing up a strategy to prepare Britons for possible eventual entry into the single

European currency. The chancellor, Gordon Brown said there was no change in Britain's "prepare and decide" policy toward the common currency, the euro.

But some analysts viewed his announcement as a clear signal that Prime Minister Tony Blair's gov-ernment does not believe it can stay outside the new currency for long if the adoption of the euro by 11 European Union countries Jan. 1 proves new currency and announced the

at the implications for Britain of the introduction of the euro in the EU, Mr. Brown said in speech at the annual conference of the Confederation of British Industry.

'We will set out the stage-bystage procedures that will be needed to be followed, we will spell out the practical implications of changing to the euro, and we will not changed but said preparation give new advice to companies on for the euro was crucial. the way to take forward their prep-

take the lead in preparing for the euros," he said.

successful. The British people setting up of a cross-party parliashould have the opportunity to look mentary group to discuss euro

Mr. Blair's Labour government has effectively ruled out joining the euro before the next general elec-tion, which is due by 2002, but has said Britain should be in a position to join if it votes to do so in a referendum shortly after that time.

'We have put in place arrange-

ments to enable firms to pay taxes, arations," Mr. Brown said.

He said the public sector would file accounts and issue shares in (Reuters, Bloomberg)

their own chambers in Frankfurt to their typically cautious public lanas an "assault on the independence" of the Bundesbank only in Germany. But analysts said his calls to use interest rates to stimulate hiring would amount to the imposition of a new operating philosophy at the Bundesbank, which is legally sworn to make

fighting inflation its first priority. By pressing for easier credit to create jobs, Mr. Lafontaine has underlined the unwillingness of the newly elected Social Democratic government to overhaul the German welfare system as a way to here investment and hiring, according to analysts and some European central bank officials.

Because the Bundesbank surrenders its authority over interest rates in eight weeks, analysts figure that the real target of Mr. Lafontaine's words is the European Central Bank, which takes over the levers of economic policy Jan. 1.

Analysts say the likeliest way to impinge on the new bank would be through the creation of what Mr. Lafontaine calls an "economic government' composed of fellow finance ministers as a counterweight to the new central bank.

On Thursday, Mr. Lafontaine will bring with him his newly ap-pointed Finance Ministry deputy, Heiner Flassbeck, an economist who recently has called for a cut of a full percentage point in German

Loss Posted At Dresdner

FRANKFURT - Dresdner Bank AG posted a loss for the third quarter Monday and said it had increased its risk provisions to further cushion itself against economic turmoil in Asia and Russia.

The third-biggest bank in Germany posted a third-quarter operating loss of 56.6 million Deutsche marks (\$34.3 million), reversing a profit of 631.5 million DM a year

Dresdner increased its loan-loss provisions for the first nine months of the year by 34 percent from a year earlier, to 1.25 billion DM. That is almost double the first-half level of 668 million DM.

"The financial crisis, triggered by Asia and Russia, and the turbulence on the international capital markets have weighed heavily on earnings in the third quarter," the bank said. "Particularly hard hit was own-account trading income and income from the securities liquidity portfolio. In view of the changed situation, we have correspondingly increased our risk provisions."

Dresdner's own-account trading profit plunged to 4.3 million DM in the third quarter from 234.9 million DM in the year-earlier period. (Reuters, AFP)

Philips to Close as Many as One-Third of Its Plants

Electronics NV, the biggest electronics maker in Europe, said Monday it would close as many as one-third of its factories by 2002 as it adopts to alcohol and the start of this year.

1, and 18 more are to be closed by the end of the year. By 2002, their total number is expected to fall to between 160 and 170 from 269 at the start of this year. by 2002 as it adapts to slowing demand.

Philips's sales have stagnated this year as the company has struggled to cope with a 9 percent decline in prices for its products, which range from lightbulbs

"The deteriorating price simution in AMSTERDAM — Royal Philips components and sound and vision ac1, and 18 more are to be closed by the end steps to cope," said Wonter Ridder, an analyst at Kernpen & Co.

The plant closings continue plans by

the chief executive of the Dutch company, Cor Boonstra, to increase profinability. Investors have cheered his demany of the company's 254,900 emcision to cut loose the German electronics maker Grundig AG and other peripheral

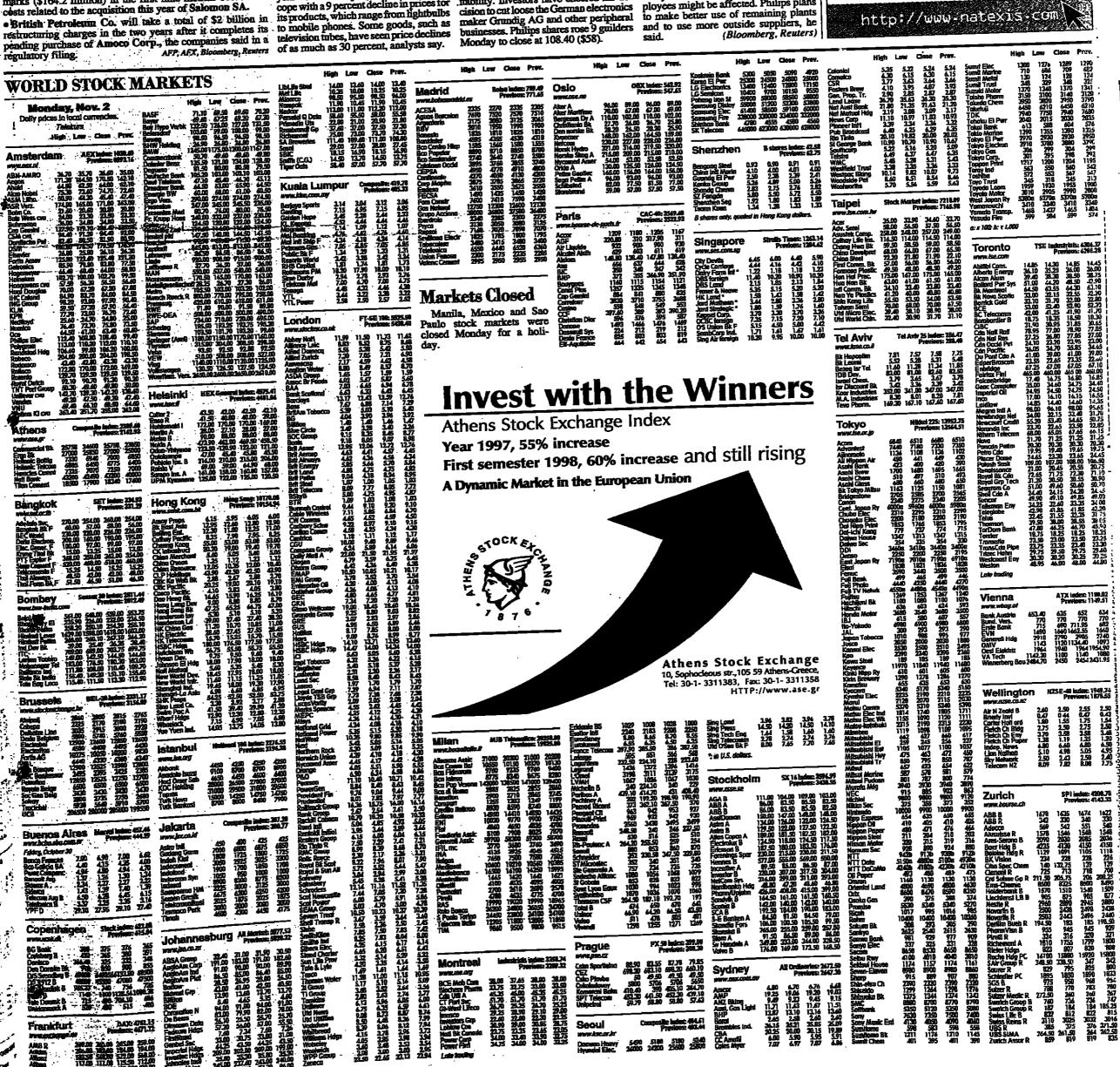
Philips has shut 25 factories since Jan.

factories will be closed, a spokesman said, adding that he did not know how ployees might be affected. Philips plans to make better use of remaining plants



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Market Slump Puts Finishing Touches on the Decline of Nomura's U.S. Unit

This year

By lanthe Jeanne Dugan Washington Past Service

Chapman, the nonexecutive chair-

man of Nomura's U.S. unit. Two flags grace Mr. Chapman's desk — the American flag and the U.S. Marines' flag. On his shelf is a model of his P-51, the fighter that strafed Japanese soldiers in World War II.

'My father was a Marine, I was a Marine," Mr. Chapman said in an interview. "We take pride in

Mr. Chapman made that message clear in 1989 when he was wooed by the largest Japanese securities firm to become chief executive of its U.S. unit and convert full-fledged Wall Street firm. With virtual autonomy, Mr. Chapman, built a business with profits so big they fueled the entire company.

In the past six years, Nomura's American staff has doubled to 1,500, and its sales have tripled to about \$1.2 billion. "It was the most successful Japanese firm in

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Marks & Spencer PLC (CDRs)

The undersigned announces that as from 6 November, 1998 at Kasfrom 6 November. 1998 at Kas-Associatie N.V., Spaistraat 172, Amsterdam, div. cpn. no. 53 of the CDR's Marks & Spencer ple. will be payable with Dfls. 8,77 per CDR. repr. 25 shares (re final dividend for the year ending 31.03.98 of 10,7p per share) Tax-tredit Pst. 0.668 = Dfls. 2.18 per CDR. Non-residents of the United Kingdom can only claim this tax credit when the relevant tax treaty merts this facility. vant tax treaty meets this facility. AMSTERDAM DEPOSITARY

COMPANY N.V. Amsterdam, October 30, 1998 Harvard business professor.

But the firm began slipping after Mr. Chapman turned over the NEW YORK - It is easy to reins two years ago to a new genforget that Nomura Securities Co. eration of managers, a deterioris a Japanese company when sit- ation that until recently was disting in the New York office of Max guised by the bull market. Several current and former executives said they had warned for months that the operation was putting too much of Nomura's capital at risk.

Now, Nomura stands as a stark example of the market's wrath. In the biggest reversal of fortune yet to emerge from the Wall Street wreckage, the parent company re-ported late last month a loss in the six months that ended Sept. 30 of \$1.75 billion, \$1 billion of it from the U.S. operation. That \$1 billion was nearly equal to the company's entire American capital hase.

What's more, Nomura's losses stem largely from the very sliver a glorified foreign sales office into a of its U.S. operations that had made it so rich and famous in financial circles — a commercial who had recently left the top job at real-estate lending and securities-Kidder, Peabody & Co., quickly sales arm run by a brash former bond trader, Ethan Penner, who had pioneered an industry by re-

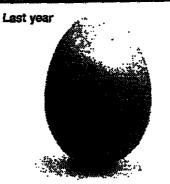
packaging pools of mortgage loans and selling them as bonds. Mr. Penner, fabled for throwing lavish client parties featuring the Eagles and Diana Ross as musical America," said Samuel Hayes, a entertainment, left Nomura in Aurust with \$30 million in severance. He takes little responsibility for the

problems the firm is experiencing. "Nomura owns the car, and they can choose to drive the car whenever they want," he said in an interview. "But when they decide to crash the car into a brick wall, you can't expect me to sit in

the driver's seat. Mr. Chapman refused to dis- and nurturing that was needed," an cuss the details of Nomura's fall, emphasizing that he had not ac- of the unit "took off with bushels tually run U.S. operations since 1996. But he said repeatedly: "At first I was mad. Then I became key element of Nomura's plan to become a global financial firm.

sad. Now I'm embarrassed." Junichi Ujiie, chief executive of the parent company in Tokyo, once worked side by side with Mr. Chapman in New York. Mr. Ujile had to pump \$1.6 billion into the U.S. unit

A Golden Egg That Cracked



profit of \$434 million* for the six months ended Sept 30

Nomura Securities reported overall

"converted from yen using exchange rate at that time

operations and try to overhaul the

say the moves could whittle the

How a deep-pocketed Japanese

precipitous fall is a classic tale of

greed, ambition and infighting.

Nomura has publicly blamed fi-

nancial market turmoil and said it

was shocked at the losses. But

more than a dozen current and

former executives interviewed

said the demise has been building

insider said. Former top executives

full of money and left the rest of us

with shame and guilt."
The U.S. division had been a

Smith Barneys and the Paine-

"So we decided to use the capital

"We couldn't compete with the

There was a lack of monitoring

for the past two years.

people by the end of March.

this autumn and has pulled management power back to Tokyo. He has sent executives to comb the sent executive to comb the sent executi

Nomura, unlike other Wall Street firms, would not offer em-ployees stock options or stakes in business. Sources close to the firm American staff to as few as 400 special partnerships. Instead it offered vast cash bonuses, ultimately tied to how much risk was firm came so far so fast in the being taken. This arrangement would come back to haunt No-United States and then took such a mura, creating a "heads I win, tails you lose" situation that aca-

demics refer to as a moral hazard. of the employees in the downside," Mr. Hayes said, then "there will be an inordinate willingness, logically, of employees to take big gambles — because if the garuble works, they get big compensation, and if it doesn't work, they don't

share in the losses." Mr. Chapman, as employees described it, set up a laboratory that spawned many new busi-nesses and then killed off the unsuccessful ones, funneling the resources into those that thrived on equity was 75 percent, com-Some describe Mr. Chapman's approach as Darwinian, others as

'When you were going down said, burgeoned in June 1996

Nomura Securities reported a loss of

\$1.75 billion for the six months ended

Sept. 30 - \$1 billion of that loss

attributable to its U.S. division.

By far the most aggressive character was Mr. Penner. After trad-ing bonds at Drexel Burnham Lambert Inc. and Morgan Stanley & Co., he was hired in 1992 by Michael Berman, who was one of Mr. Chapman's lieutenants.

Mr. Penner sponed an oppor-tunity in the dearth of capital available to commercial real-estate developers: He would origin-"If there isn't an equal sharing ate mortgage loans and repackage pools of them as bonds, making the biggest profits on the least creditworthy loans.

"It was like selling water in the desert," said Raymond Anthony, who helped Mr. Penner. "Nobody asked, 'Is this tap water, Perrier or Evian?' It was an absolute success

from the get-go."
In his first year at Nomura, Mr.
Penner originated \$2.5 billion in loans. By 1997, total profit from his operation was \$! billion and return pared with 1 percent to 2 percent companywide, an executive said. Mr. Penner's power, employees

when Mr. Berman took over from Mr. Chapman. At a major meeting in Florida shortly after he took over, sources said, Mr. Berman opened by telling his staff: "We have a one-year plan: That's to make money. If you succeed in the one-year plan, you'll have an op-

Junichi Ujiie, the head of

Nomura, in Tokyo in 1997.

Mr. Berman proved to be a loans, which left it more vulnerable hands-off manager. Several to short-term swings in markets. former and current employees said On Aug. 12, Mr. Penner he was in the office infrequently.

tion for another one-year plan.

In Tokyo, Nomura went through a scandal in which its president was arrested in connection with illegal payoffs to clients. The U.S. operation had increasing difficulty getting funding from Japan and had to scale back its risk. Mr. Penner's business was growing so fast that it was using more than its share of capital and bumping up against

anagement's ceiling for risk. Mr. Chapman began worrying about the potential for losses in the lars more as a reserve against fureal-estate portfolio and said he had several conversations with Mr. billion of loans that have yet to be Utile. "I said this thing is going to blow up," Mr. Chapman said.

By April 1997, Nomura decided it wanted to get the risk of Mr.

backed securities unit off its books and prepared to spin it off. Mr. Berman and Mr. Penner teamed up to try to persuade such firms as Goldman; Sachs & Co. to buy the operation, current and former executives said, planning to keep an equity stake for themselves.

According to several current and former employees, Mr. Chapman told Mr. Berman such a move was a conflict of interest. Mr. Berman would not back out of the deal and was asked to leave Nomura, the sources said. A Nomura spokesman emphatically denied this scenario. Nomma employees said it was

easy for Mr. Penner to largely snub his chiefs. He often ignored their commands, they said, plotting to open an office in France. for example, and to start a bank in Russia without approval.

Mr. Berman and Mr. Penner in

April 1997 began assembling a business plan. A senior Normura executive said Mr. Penner wanted full control of the venture but expected Nomura to provide capital: unit if they took certain measures to reduce risk. It also forced the new venture to rely on overnight

On Aug. 12. Mr. Penner resigned, but he remained as deputy chairman to "save face." he said: Less than a month later, Russia defaulted on a portion of its debt; and the market for securities backed by commercial mortgages screeched to a hait. The value of commercial mortgage loans out

Nomura's commercial-mortgage unit posted a loss of \$214 million after taxes and had to set aside impdreds of millions of dolture losses. The unit still holds \$7 packaged together and sold as bonds to investors. Although buyers have started creeping back into the market, the Nomura unit is still

standing plummeted.

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Time Warner: Magic Kingdom for Investors By Geraldine Fabrikant and Bernard Weinraub

New York Times Service NEW YORK - Suddenly on Wall Street, it's the wonderful world of Time

Warner. In a remarkable turnaround, the media company that investors love best is no

longer Disney.
Only a few years back.
Walt Disney Co. was seen as the stable, sure-growth operation that investors adored, while Time Warner Inc. was the debt-ridden, cable-crazed drag on many a media portfolio. But in the past 12 months, Time Warner's stock has risen 61

percent, compared with a rise of only 20 percent for the Standard & Poor's 500 index and a 2 percent decline for Disney, which has historically been the industry's best performer. 'Any sector will have any one or two leading companies," said Christopher

Dixon, an analyst at PaineWebber Inc. We are seeing major rotation from Disney to Time Warner Yes, Time Warner still has problems — particularly in the erratically performing Warner Brothers movie, television and music units jointly run

by Terry Semel and Robert Daly; and overall, Time Warner, with \$13.1 billion in sales last year and \$246 million in profit, was still dwarfed by Dis-bey's sales of \$22 million and profit of \$1.9 billion.

billion, a big chank of it from the \$5.5 billion he has spent acquiring additional cable television systems.

debt. Cable systems now account for 40 percent of Time Warner's operating income, which was \$3 billion recession," Mr. Dixon said. for the first nine months of the year,

Time Warner's stock has become very popular among investors although its sults are fairly CHANGE IN STOCK PRICES leckluster. At the Over the past 12 months eme time, Walt Disney, a former Time Warner tavorite, has lost its olace in investors' hearts despite its steady financial performance.

Nov. Dec. Jan: Feb. Mar. Apr. May June July Aug. Sept. Oct.

casting System Inc. for \$7.5 billion was

The deal also brought what have proved to be invaluable management benefits by making Ted Turner a board

the company developed a repu-

age salaries and stock-option plans.

Though Mr. Levin had trimmed

some of those extravagances, the

Turner deal brought on board an own-

movie and television operations.

INTERNATIONAL INVESTING

up 16 percent from a year earlier. porate ladder in the 1970s and '80s With 12 million subscribers, the through Time Inc.'s cable business, company under Mr. Levin has be- remained a supporter of cable even come the industry's largest cable op-erator — the largest customer, in oth-rectly, so far — that it would be er words, for its own CNN, TNT, rendered obsolete by direct-broadcast HBO and other cable programming sarvices, which together account for stock deal to acquire Turner Broad-

27.2 percent of its operating income.

"Like a phoenix, cable has risen from the ashes, and the stock has risen with it," said Time Warner's president, Richard Parsons.

To some extent, Time Warner is benefiting from economic uncertainty. With some investors fearing a recession, many may feel that Disney's theme parks, which accounted member, deputy chairman and 11 perresents at least temporary vindication ney's theme parks, which accounted of the strategy of the company's for about a third of the company's Mr. Levin's predecessor, the late Steve chairman, Gerald Levin, 59. Since cash flow through this year's first taking the job in 1993, he has labored three quarters, could be hurt more defying \$14 billion merger of Time with Warner Communications in 1989 under a debt that now stands at \$16

cable operations. Moreover, as owner of ABC, Disney is much more exposed to the bolized by a fleet of corporate jets and Lately, gains in cash flow have various problems facing the major broadcast networks. "Cable adver-Mr. Levin, who came up the cor- company on a tight budget and was can better complement one another.

determined to monitor spending.

'Jerry has done a great job," Mr. Turner said in a telephone interview. His accomplishments come despute a difficult time for Mr. Levin after the 1997 murder of his son and in the current widely publicized trial of one of his son's accused killers.

Mr. Levin, never particularly comfortable with the news media, declined repeated requests for an interview for this article.

Confounding those who predicted a leadership battle, Mr. Levin and Mr. Turner appear to have developed an amicable relationship. They may not always agree, but Mr. Turner probably finds little to be unhappy about, given that each share of his Time Warner stock has risen from \$41.375 when the mer-

porate ladder in the 1970s and '80s to \$92.875 as of Friday's close.

Still, Mr. Levin has been faulted for a shakeup at Warner Music, once the most successful company in its industry. After the departure of its veteran management team several years ago, Mr. Levin handed leadership first to Michael Fuchs, the former chairman of HBO, and then to Mr. criticized by some as far too costly,
Tumer's cable programming services
have complemented Time Warner's

channian of FibO, and then to Mr.

Daly and Mr. Semel. The division is only now beginning to recover from management turmoil as well as an

But Mr. Levin has earned the industry's respect by bringing in Mr. Parsons, formerly chairman of Dime Savings Bank, and promoting a senior vice president, Richard Bressler, to

Mr. Levin and Mr. Parsons have taken steps to clarify corporate control and get the company's cable, publishing and entertainment divisions working together more effectively.

solely on the performance of individual divisions rather than the whole company, Mr. Levin meets with the six divisional heads a half-dozen times er-shareholder who had run his own a year to explore ways their operations

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chief financial officer.

Though bonuses are still based

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November 2, 1998

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ASIA/PACIFIC

American Executive To Lead Broken Hill

- SYDNEY — Paul Anderson was its first loss since 1923 and only the appointed chief executive of Broken second loss in its 113-year history. Hill Proprietary Co. on Monday, oining a growing line of American

BHP's choice of Mr. Anderson ended a global search of eight months. When he takes up his post as bead of the steel, oil and natural ber, he will be one of about a half dozen Americans who head major campanies here.

Mr. Anderson is now president, nd chief operating officer of Duke anergy Corp., based in Charlotte, North Carolina. He said his job there would end in two weeks.

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"He brings that American sense of optimism, which, given BHP's shife, is no bad thing," an analyst at a prominent Australian securities house said

BHP was once dubbed "The Big BHP posted a loss of 1.47 billion pac Banking Corp.; Denis Eck, head buck," he said.

ar ended Sept. 30 by 40 percent on

Sanwa Bank, which wrote off two

tian planned, joins a wave of banks

announcing earnings revisions as

Japan's economic tumble is sending

yen (\$1.8 billion) in bad loans.

more companies into default.

Monday after writing off 210 billion solve the nonperforming asset issues

and a half times more in bad debt prolonged recession in the domestic

Australian dollars (\$916.1 million),

The company's shares, which had risen strongly in recent weeks on executives heading Australian speculation about a new chief ex-companies. ecutive, fell 44 cents on Monday, to close at 13.16 dollars as investors took profits after the news.

Tim Barker, an analyst for Roth-schild Australia, said: "The short resources company in early Decem- and medium term of the thing is the profits are going to be related to commodity prices and volumes. Both of those are under pressure at

Mr. Anderson pledged to restore Paul Anderson of Duke Energy Corp. will take the helm at BHP. the company to its former glory. "It's amazing how quickly these things can turn," he said.

He vowed to focus on shareholder value by sharpening strategy and swiftly setting internal changes "so that we can increase shareholder value even in the down cycle."

Other American heimsmen here Australian" because it was the include George Trumbull, chief exbiggest company by market capecutive of the Australian insurance italization on the Australian stock and fund management company market. But in the year to May 31, AMP Ltd.; Bob Joss, head of West-

Sanwa Bank's Write-Off Slashes Profit Outlook

TOKYO — Sanwa Bank Ltd., forecast to 30 billion yen, and it cut fallout from Japan's worst recession its recurring profit forecast 80 personal lashed its profit forecast for the half-cent to 14 billion yen.

by accelerating absorption of addi-

tional credit costs, considering the

economy and unstable conditions in

other Asian countries," Sanwa said.

Other major banks such as Puji

Bank Ltd. and Asahi Bank Ltd. also



of Coles Myer Ltd., and Frank Blount, chief executive of Telstra

BHP's chairman, Jerry Ellis, said Monday that Mr. Anderson would receive a package of about 4 million dollars a year, including 1.5 million

dollars in cash. Mr. Anderson vowed to take the new post for the long term.

Sanwa Bank cut its net profit said soaring bankrupicies and other

"It is truly a matter of urgency to losses and to cut profit forecasts.

■ Goldfields Is Optimistic

Goldfields Ltd., an Australian gold miner, said Monday that its first-half earnings would probably exceed its profit in the second-half last year, as it cuts costs further, Bloomberg News reported. At the company's annual meeting, the chairman, Tony Cotton, also said Goldfields' parent "I'm not looking to come in for a company, RGC Ltd.. had received "a year or two and make a quick number of proposals" for its 50 per-buck," he said.

Body Shop Trips Over Hemp Line

HONG KONG - The Narcotics Bureau here is investigating a new range of hempbased cosmetics sold by Body Shop International PLC to test whether the products contravene drug laws, a company spokesman said Monday.

The British-based cosmetics chain is selling a range of oils. soaps and skin creams containing industrial hemp, which be-longs to the same family as the illegal drug marijuana.

As part of a promotion, the Hong Kong shop sent out about 150 packages of industrial-hemp seeds to journalists. Possession of the seeds is illegal unless they have been treated to prevent them being grown.

We are confident all our products and promotional materials are legal," the Body Shop spokesman said, adding that the seeds had been sterilized before being sent out.

Seeks Curbs On Traders

Mahathir

KUALA LUMPUR - Prime Minister Mahathir bin Mohamad of Malaysia called Monday for world financial institutions to curb lending to currency traders, whom he called the "root cause" of the economic problems in Asia.

Currency traders are no doubt the people responsible for devaluing the currencies. They are the cause of the currency turmoil," Mr. Mahathir said at a conference here on the Asian economic crisis. "They precipitated the current recession in every country. They're well on the way to bringing about a worldwide recession.

Mr. Mahathir suggested that the

world's banks limit the amount of money they lend for currency trading. He also proposed that exchange rates be allowed to fluctuate only within a limited range, and suggested that time limits be set for currency traders to fulfill their contracts. He said restrictions on the size of currency transactions should be set as a percentage of a country's total trade.

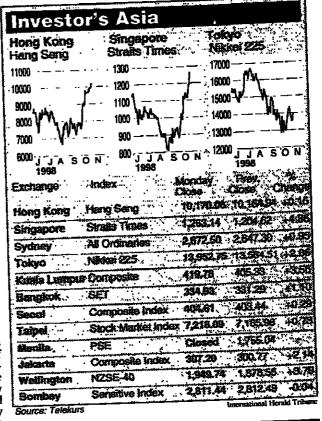
He had previously suggested that currency trading be put on the agenda for discussion at a meeting of the Asia-Pacific Economic Cooperation forum in Kuala Lumpur on Nov. 17 and 18.

On Sept. 1, Malaysia imposed currency controls, barring foreign portfolio investors from taking their capital out of the country for 12 months. The rule is estimated to have locked about \$10 billion worth of stocks and bonds owned by foreign investors into the country.

Mr. Mahathir said he would keep the exchange controls until the world moved to curtail currency trading.

Currency traders "create financial turmoil, impoverish the countries and their people, throw millions out of jobs and deprive them of food, medicine, etc., cause them to riot and destabilize previously stable governments and even cause these governments to be overthrown, Mr. Mahathir said, "All

Mr. Mahathir also hit out at those who accused Asian governments and business leaders of practicing cronyism. Just about any businessman who benefits in any way from government decisions would be labeled a government crony," he said. "Only if foreigners get the project unconditionally, without regard for national benefit, would the accusation of cronyism not be made."



Very briefly:

 Hong Kong customs officials smashed a syndicate that was smuggling pirated videodisks into the territory from neighboring Macau, the government said.

 Japan's domestic shipments of personal computers rose for the first time in more than a year in the July-September quarter, an increase attributed by some analysts to the debut of Microsoft Corp.'s Windows 98 software in July.

· Samsung Motor Inc., South Korea's newest automaker, said sales dropped 33.5 percent in October from the previous month, the biggest decline since it started business in April. • Spindex Industries Ltd.'s shares surged 83 percent from their offering price, to 33 Singapore cents (20 U.S. cents), on their first day of trading in Singapore. The company makes precision machining parts.

 That consumer prices fell for a second consecutive month in October as a stronger baht cut prices of imported goods.

• Jacques Santer, president of the European Commission, said the EU would maintain its open-trade policy toward China despite a growing trade deficit. Bloomberg, Reuters, AFX



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Australia Won't Join Pact to Widen Foreign Investment

CANBERRA — The Australian government abandoned plans Monatea of the economy.

'The development of the treaty has effectively come to an end, Brade Minister Tim Fischer said. There were legitimate concerns about Australia's sovereignty."

The treaty, the Multilateral was basically giving companies Agreement on Investment, known greater power than governments." as the MAI, was proposed by the day to sign a pact intended to relax Organization for Economic Cooperation and Development and would foreign investment in a number of companies, amid concern it would require countries to drop specific industries considered strategically reduce its ability to control a key rules restricting foreign investment. France ended its participation in sources such as uranium.

the talks last month. ever seen," said Meg Lees, leader of Ltd. and Telstra Corp., the governthe Australian Democrats Party. "It ment-controlled phone company.

She said that under the treaty, there would bet no restrictions on

Sanwa said losses on sales of bad

loans as well as increased reserves

against soming debt in Asia also had

contributed to the rise in write-offs.

...The bank sold bond holdings to

cover its losses, raising its expected

half-year core business profit to 240

billion yen from 160 billion yen.

Australia limits the level of for-"This was one of the most dis- eign ownership in all media compaturbing pieces of legislation we have nies, as well as in Qantas Airways

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billion, up 4.9 percent from market principals." 1996, while the volume of cargo jumped 8.4 percent, to Bigger and better to 60.2 million. A survey car-

according to ACI Secretary- building for the air-cargo General Alexander Strahl, boom, Privatization has taken many

strong cash flow. thority in 1987. Partial share seams for years," Mr. Zuriar- ment ceilings and have taken flotations were undertaken rain says. by both Vienna and Copen- European Union airports quieter aircraft.

irports have become later, with the government re-

omy as they prepare for airport ownership is the protraffic to double by 2010. liferation of autonomous au-They are looking for new thorities, where the airport ways of financing the esti- remains publicly owned, but mated \$350 billion worth of the management runs the airextra facilities they will need and of boosting profits now ment interference. "In this that governments are under respect," says Mr. Strahi, we see an increasing num-Last year, the number of ber of publicly owned airpassengers carried by airlines ports being run as commeraround the world totaled 2.9 cial enterprises according to

61.2 million tons, and aircraft Virtually all airports are exmovements rose 3.2 percent, panding. "It is just a question of degree," says Mr. Strahl. ried out by the Airports Most new airports are in the Council International shows Asia-Pacific region, where that international passenger openings in recent months or traffic is expected to grow by years include Hong Kong, an average of 4.6 percent a Kuala Lumpur and Macao. year between 1997 and 2010. Huge construction programs against only 3.9 percent for regional traffic, and that air cargo is expected expand by

are also under way in China, including a new airport in Shanghai, and in Korea. Development in Africa is One solution to the finance centered on tourist traffic, ing challenge is privatization, while the Middle East is

million French francs (\$21

million) in loss of earnings in

To offset this drop in rev-

enues, the Europeans will

look to developing duty-paid

shopping. This is already the

case at a number of airports,

which have almost become

cities in themselves. An ACI

come accounted for more

than 46 percent of major air-

Although aircraft have be-

come much quieter since the

1970s, the number of flights

has soared, raising the overall

years ago are no longer ac-

cepted now," Mr. Strahl says.

This is especially true in

Europe, where some major

steps to encourage the use of

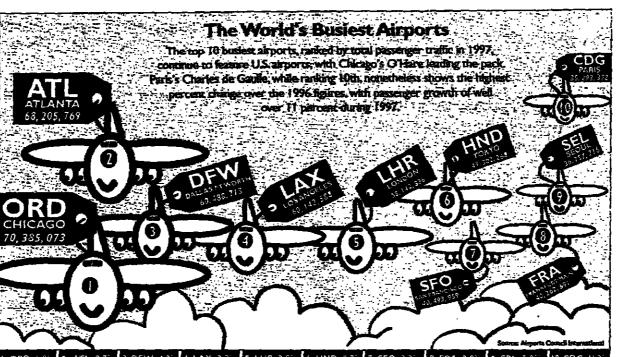
Barbara Casassus

"Noise levels accepted

noise level.

In the United States, survey showed that nonforms, including share flot- Miami International Airport aeronautical sources of inations, joint ventures, per- is in the midst of a decadepetual franchising and vari- long, \$4.7 billion plan to than 46 percent of major ations on the build-own-build "a new airport on top of ports' revenues in 1996. operate theme. Airports are the existing one," according increasingly seen by the into Deputy Director for Aviternational financial commu- ation Amaury Zuriarrain. nity as solid investment pros- This includes a third parallel excellent runway, doubled passenger economic fundamentals and terminal space and new stateof-the art freight warehous-Says Mr. Strahl: "The first ing. Passenger traffic at the true privatization through an airport is expected to jump offering of 100 percent of the from 36 million in 1997 to 50 shares to the public was that million in 2005, while Cargo airports have been subjected of the British Airports Au- City has "been bursting at the to noise, capacity or move-

hagen airports several years will be facing a challenge



next July when duty-free PRIVATIZATION OFFERS NEW OPPORTUNITIES sales to passengers traveling within the EU are abolished. Aéroports de Paris estimates that this will represent 120

> ments has been validated by the recent good job of raising the value of its airports, tralia's airports, realizing prices far in ex- each of its 10 years of operation. cess of government valuations due to their

Sydney and its three satellite airports were excluded from the process until the major issues of choosing a site for a second Sydney Airport and environmental issues relating to noise were resolved.

Terminals: Brisbane, bought by a consortium led by Amsterdam Airport Schiphol; and Melboume, by a consortium led by British Airports pic. The sales of these three airports

AUSTRALIA'S EXAMPLE is a case in point as more airports are managed by the private 17 airports was considerably higher than

The case for airports as sound investsales to the private sector of most of Ausexcellent operating profits.

alone raised a total of just over \$2 billion.

A second tranche of 14 smaller airports, including Adelaide, Canberra and Hobart, has been sold for a total of \$438.5 million. this year, included Manchester Airports and lated to the airport's core business. a variety of largely Australian investors.

The \$2.4 billion raised by the sale of the their government valuation of \$720 million, demonstrating that the FAC had done a largely by running record operating profits in

Says Graham Muir, chief executive officer of Westralia Airports Corporation, the op-The first airports to be privatized — Mel- erator of Perth Airport: "By the time the sales bourne, Brisbane and Perth - were offered took place, the airports were ready, which to private bidders in September 1996, was why the sales have been so successful and the transition exceptionally smooth."

Mr., Muir says airport users will have noticed little difference so far but, behind the scenes, strategies are changing. The first year has been spent, he says, "getting Successful bidders were announced in our house in order," including labor restruc-July 1997. These included Perth Airport, turing and boosting strengths in marketing, bought by a consortium led by Lockheed Air business development and property man-

This will enable Perth Airport to move into nontraditional airport business such as property development, taking advantage of the airport's extensive land resources, which, Mr. Muir says, have never fully been utilized. Perth Airport alone has some 1,000 hectares (2,470 acres) available for indus-The new owners, who took control in June trial and commercial development unre-

Nigel Hopkins

THE VOICE OF THE WORLD'S AIRPORTS

citing times for airports as they continue to adapt new technologies and develop infrastructures to provide improved services to passengers and airlines around the world. As the col- and the International Air lective voice of the world's airports, Airports Council International (ACI) strives to increase global awareness of the vital role airports play setting of international avibenefiting the world's econ-

ACI's primary objective is to help member airports with many challenges as they around the world to develop safe secure, efficient and en- crucial capital resource revironmentally

compatible airport systems. Over the years, its focus of activity has dewell veloped beyond framework to cover other important issues of concern to airport operators. Some, like the volatility of

the global economy and its management effect on airports, are things airports can do little about, systems and airport privat-Most, however, are issues whose outcome can be emission shaped by a strong and co-heightened security de hesive world airport commu- mands, and changing airline

ACI membership now includes more than 523 airports and airport authorities, operating almost 1,300 airports in over 160 countries. About operators around the world is 25 percent of ACI's members are in developing countries. It is important for ACI, as the economic and environmental international organization that represents the world's sengers and air-traffic carri-airports, to continue its ef- ers." This is precisely the forts to narrow the gap be-tween airports in industrialdeveloping 21st century. and countries.

Airports Council International, speaking on behalf of

hese are certainly ex- all its members, is internationally recognized as the "voice of the world's airports" and one of the three pillars of civil aviation, alongside the International Civil Aviation Organization Transport Association. ACI influences the direction taken by civil aviation by presenting the airports' views in the ation standards and recom-

mended practices. Airports are confronted head into the 21st century:

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new technologies, creased competition · greater environmental constraints. Topics being faced on a daily basis are as wide-ranging as deregúlated groun

Council International

services an growing retail satellite-based ization, tougher noise and controls.

alliance and regulatory struc; As ACI's chairman, Jean Fleury, frequently points out: "A key objective of amport to be the financially viable link between community. interests and those of paschallenge faced by airports as ACI heads with them into the

Jonathan Howe, director general of Airports Council International



Dubai's Department of Civil Aviation. Playing a vital role as the emirate moves into the 21st century.

The history of Dubai's Department of Civil Aviation (DCA) is closely interlinked with the remarkable progress made by

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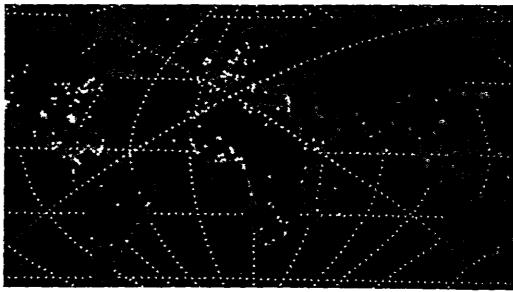
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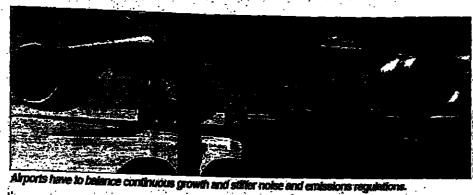
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AIRPORTS: A GROWTH INDUSTRY



GREENING OF THE RUNWAYS

alssues such as reducing noise and emissions are high on airports' agendas.

tontinuous air traffic growth while keeping has already reduced this type of aircraft to tenvironmental concerns at the forefront. That just 1 percent of its total traffic, in part by means stiffer regulations against noise and prohibiting night takeoffs. emissions, and, particularly in Europe, in-creasing emphasis on substituting automobile traffic at airports with more envir- provide electricity when an aircraft is parked onmentally friendly light stil.

expected that by 2003, 43 percent of pas- energy rather than diesel fuel. sengers and 40 percent of airport employees will travel to the airport by light rail. At central rail station to the amport is expected to greatly alleviate the amount of automobile. traffic at the airport, along with the fixed fairs at Copenhagen Airport. Oresund link, which will allow for light rail The increase in an traffic of

affic from southern Sweden to Denmark The switch to rail transport can have a significant effect on an airport's emissions, lenge, says Mr. Wever, since the market since automobile traffic is usually a greater source of pollutants than aircraft, according to at 10 percent. Rund Wever, spokesman for Schiphol Airport favor of substituting air traffic with light rail for short- and medium-distance destinations."

Environment Conference and Exhibition, to - and continuous descent approaches. be held at Schiphol Airport in May 1999.

Computer image of holding lodges in Dubai airport's new

DUTY FREE FUELS

Dubai International is quadrupling retail space.

place at Dubai International Airport, retail and ca-

Currently ranked sixth in the world for growth in pas-

200 according to the Department of Civil Aviation.

Located on the north side of the main airport, Terminal 2

includes 1,300 meters of duty-free space, including a new

customer service desk for those making bulk purchases. The

as to charter and scheduled services. Gold is traditionally a

The new concourse will include a 100-room five-star hotel on the upper two levels, as well as a range of restaurant and dining facilities, a health spa, a swimming pool and a business and conference center. Outside the terminal area, a

12,000-square-meter complex of offices and warehouses for

the duty-free operation has been built and is currently in

A separate \$200 million project is also under way to

expand Dubai's Cargo Village, which is expected to handle up to 2 million tons of air freight by the year 2010, compared

with 425,000 tons in 1997. It will also provide services for a

new free zone and business village covering a total area of 1.2

"AIRPORTS: A GROWTH INDUSTRY"

is a joint initiative of Airports Council International and the

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Wenters: Amy Brown in Stockholm, Barbara Casassus in

Paris, Françoise Giovannangeli in Vancouver,

Nigel Hopkins in Melbourne, Jonathan Howe in Geneva

and Pamela Ana Smith in London.

travelers to the emirate up to the year 2030."

percent of total turnover in 1997.

ODERADION.

DUBAI AIRPORT

20 million by the year 2030.

irports are definitely thinking green. In anticipation of a total European Union A these days. Balanced development is ban on the noisiest type of Chapter 2 aircraft, the goal: meeting the challenge of which will take effect in April 2000, Schiphol

To reduce emissions from parked aircraft, the auxiliary power units (APUs) that have been replaced at Schiphol with 400 At Schiphol Airport in Amsterdam, it is hertz installations, which run on electrical

The Copenhagen Airport has restricted the use of APUs to just five minutes before Copenhagen Airport, a new rail line from the takeoff and five minutes after landing, except in extreme heat or cold, according to Erik Petersen, coordinator of environmental af-

The increase in air traffic movements annually at Schiphol is limited to no more than 5 percent. That poses a considerable chaldemand for air traffic is far higher, estimated

"We have to be more precise in what type who adds: "For this reason, we are strongly in of business we allow," Mr. Wever says. "Airlines cannot grow as much as they'd like. That forces us to be very innovative, such as reducing the number of night flights
Schiphol conference
Examples of creative efforts in the environ-quieter aircraft. We also employ technical mental arena will be under discussion and on and operational measures to reduce noise display at Greenport 99, the World Aviation impact, such as steeper takeoffs and landings

INFORMATION TECHNOLOGY: REFINING A CRUCIAL TOOL

Updating and integration of systems is essential to airport development.

designed to function with operations still run on older benefits increase substanmainframe computers. Updating has become essential not only because of growing capacity requirements, but in order to ward off the year FIDS registers a time change 2000 computer bug and its on an incoming flight, it

New and promising technologies in passenger han- adjusts gate allocation ac- and tested and eventually igation and air traffic management are emerging. offering much-needed options for capacity improvement. As the industry becomes increasingly regulated, easy-to-use and flexible data management canabilities are becoming indispensable.

Systems integration — interfacing of diverse opera-tions, IT systems and communications networks --- is on the agenda of a growing number of airports. At a time when physical expansion is often difficult or impossible, integration can play a key role in reducing costs and improving efficiency.

Says Michael Saunders, senior manager for marketing and business planning with SITA airport services Amy Brown division: "Many airports

ost airports - and have over the years pur- Lap Kok airport last July their information chased applications for vari- or the year 2000 issue. technology -- were ous functions, for example a gate management system, a handling capabilities of most volumes of activity well common use terminal system automated systems will beshort of levels seen today. or a flight information dis- come prone to failure, having While passenger traffic is play system [FIDS], result- been programmed to read currently doubling every 15 ing in islands of technology. "00" as 1900. For airports, years, the reality for most air- By integrating all of these ports is that much of their components, however, their

> Smoother operations In an integrated system, if the management system, which messages to other systems, making the airport far more Transport

For their part, airlines are introducing time-saving applications such as electronic in, where a passenger smart card replaces a conventional ticket. Reservation information is stored on an integrated network, and passengers using a contactless smart card and a touch screen.

"Any new technologies which facilitate passenger throughput are excellent for traditional congestion-prone facilities, but we'd like to see things eventually move in that direction."

Stamping out bugs Even the most technologically advanced airports can be vulnerable to operational disruptions; a teething process always follows the introduction of new technology, as demonstrated by the bug-

On Jan. 1, 2000, the data-"00" as 1900. For airports, this could have implications for everything from elevators and luggage transport systems to information systems, passenger handling or more critical equipment used in air traffic control.

"There's a lot of equipment out there that's exunpredictable consequences. sends a message to the gate tremely date-sensitive and therefore has to be examined dling, communications, nav- cordingly and in turn sends changed," explains William Gaillard, International Air Association spokesman.

IATA is sending teams of specialists. including consultants from Price Waterticketing or self-serve check- house Coopers, to 70 of the world's busiest airports to look at both ground operations and air traffic control. The work groups are assessing the systems airlines rely check in and select their sears upon and assisting airports in

fixing any problems.

Of course, in the case of year 2000 compliance, you can never give 100 percent assurance that you're ready, airport operators," says Dav- as sometimes you rely on the id Gamper, director of fa- assurance of others, as in the cilitation, Airports Council case of, say, your software provided its members with a checklist.

> "What we're emphasizing is that you really have to do the testing yourself. And testing is a very time-consuming

Many airports, recognizing the scope of the undertaking, view it as an opporunity to assess their systems and hardware and look toward new and more efficient technologies.

Françoise Giovannangeli East by Duty Free News.



Artist's rendering of the new Abu Dhabi airport satellite building.

Abu Dhabi: A GROWTH ZONE

This pillar of the local economy is still expanding.

ver since the Abu Dhabi International Airport opened at its present site in 1974, development and expansion has been an integral part of the airport's growth

Sheikh Hamdan bin Mubarak al Nahyan, chairman of the Department of Civil Aviation in Abu Dhabi, says: "By the year 2000, more than 50 international airlines will be transporting more than 7 million passengers a year, and with those figures as its mainstay, the airport prides itself on being a major economic generator for the region and for the United Arab Emirates as a whole."

The \$545 million short-term expansion plan set into motion early this year includes refurbishment of the existing terminal and satellite buildings, a new runway and taxiway, and 18 new aircraft stands.

According to Sheikh Hamdan bin Mubarak al Nahyan, International. "We're not yet manufacturers," says Mr. Abu Dhabi's passenger traffic has grown by 60 percent talking about replacement of Gamper of ACI, which has during the last decade. More than 3 million passengers traveled through the airport in 1997, and this figure is expected to reach 3.5 million by the end of this year.

Although transit traffic has dropped in the last two years, mainly due to the economic crisis in Asia, an upturn in passenger movements at the airport is forecast. With regional tourism growth forecast to be four times greater than the world average during the next decade, the airport is preparing for new challenges.

Abu Dhabi Duty Free, ranked among the top duty-free operations worldwide in terms of revenues, is also expanding to keep pace with growth. A new satellite is scheduled to open by the year 2000, providing an additional 4,000 square meters for 50 brand-name boutiques and 20 specialist outlets. Recently, Abu Dhabi Duty Free was voted best in the Middle

Airport.

Jon affünffa

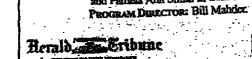
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million square meters.



WELCOME TO MAIN CONCOURSE MALL

Airport retailing has moved well beyond duty-free.

rand-named products and designer labels, together with expanded restainant, leisure and sporting facilities, are making some of the world's together e hannt for those seeking luxury as well as bargains.

Hong Kong's new international airport, Chek Lap Kok, which opened in July, has overcome early teething problems to become a notable shopping emporium. In its first year of operations, it is expected to handle some 35 million passengers, about the same number recorded last year at Charles de Gaulle Airport in Paris.

Using the concept of a shopping mail, anchor stores in the "Hong Kong SkyMart" are complemented by brand-name shops, specialty boutiques, eateries and passenger services as well as the usual duty-free items, general merchandise, perfumery and cosmetics.

Total shopping experience Another Asian airport, Changi in Singapore, also boasts one of the largest shopping malls in the world, aimed at creating a total shopping experience for passengers, whether they are traveling for business or leisure. More than 100 shops are s part of a \$540 million expansion project taking designed in an open, free-flow concept to provide a pleasant and relaxed environment.

tering space at Dubai's duty-free operations is set to The newly expanded and refurbished West Wing of the rise nearly four times, to 9,000 square meters, by the year departure and transit lounge in Terminal One features high ceilings and an extensive use of glass to make its shops bright

senger throughput, the airport plans to construct a new 800-Ease of access and helpful service aimed at all passenger meter-long concourse to handle the estimated 12 million groups are emphasized at the airport. The Weitnauer Perfume visitors expected annually, a figure predicted to rise to about and Cosmetics Shop, for example, displays high-fashion names such as Chanel, Estée Lauder and Gucci alongside Dubai's duty-free turnover has also increased substantially more popular brands such as Ultima, Revion and Layla. "Our in the past few years, from \$132 million in 1993 to \$190 million in 1997. This year, because of ongoing construction work, the improvement will be more modest, but the figure is objective is to make it user-friendly for people, so that they can find the brands they want easily," explains Kathryn expected to reach a remarkable \$300 million by the year

Kuan, marketing manager.
In the United States, the Dallas-Fort Worth International Airport in Texas topped the country's two busiest facilities — Chicago's O'Hare and Atlanta's Hartsfield — to garner the Maintaining a vision for the future is very much a part of Dubai's success," the DCA's president, Sheikh Ahmed bin "Silver Award for Best Overall Marketing" in the annual international competition sponsored by OAG Worldwide. Saced al-Maktoum, said in May at the opening of Dubai's second terminal. "We are striving through this expansion program to meet the travel needs of business and leisure DFW also won the "Silver Award for Best Corporate Communications."

DFW's total marketing approach, as well as excellence in areas such as public communications, trade marketing and business case presentation, were cited as reasons for the award. "For the last two years, we have been focused on the facility caters to executive and special interest flights as well development of international air services at DFW, and these awards are a testament to that effort," says Jeff Fegan, the big seller at Duban's duty-free counters, accounting for 18 airport's executive director.

Pamela Ann Smith

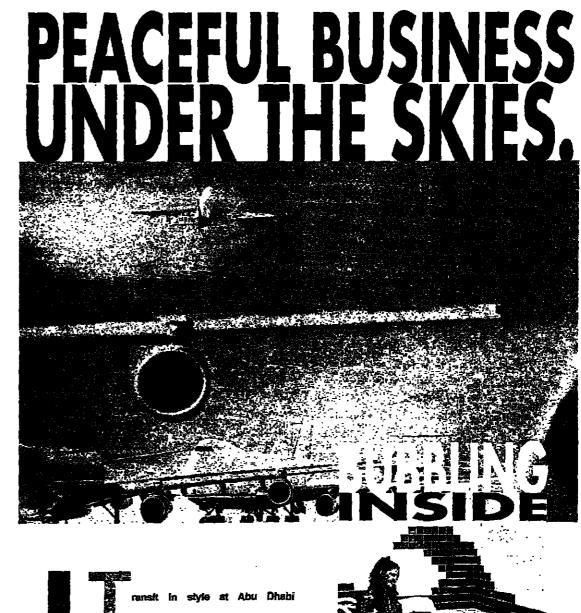
SYDNEY CONFERENCE

THE CHALLENGES facing airport managers in the years ahead is the theme of the ACI World/Pacific Conference '98, to be held in Sydney Nov. 1-4.

About 700 delegates from about 80 countries are expected to attend the conference, called "Global Trends, Local Challenges: Managing Airports in Volatile Times" and the ACI's first ever to be held in Australia.

Discussions will cover a wide variety of topics, ranging from the future travel markets to the millennium bug. They will include the growing power of airline alliances and their impact, airport ownership, the environment and the community, the surge in air cargo and building airports for the 21st century and the Pacific Rim. The keynote speech on "Asian Economies: Challenges and Prospects" will be given by Mitsuo Sato, Asian Development Bank chief.

Parallel to the conference will be an exhibition of the latest airport-related technologies, products and services. and serving as a backdrop will be Sydney's new international terminal. The focus of the airport's 350 million Australian dollar (\$206 million) construction plan is part of preparations for the next Olympic Games, to be held in Sydney in 2000.



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An Italian Upsets **Enqvist in Paris**

world No. 21, lost by 6-3, 6-3, to an Italian qualifier, Gianduca Pozzi, in the first round of the \$2.55 million Paris Open on Monday.

Enqvist, a Swede who won the tournament two years ago, had not played a match since he withdrew injured from the Czech Indoor tournament last month.

Pozzi is a candidate for Italy's team in next month's Davis Cup

final — against Sweden.

Thomas Johansson of Sweden advanced by beating a Frenchman, Sebastien Grosjean, 7-6, 6-7, 6-4.

He will face Pete Sampras next. Mark Philippoussis beat Daniel Vacek, 7-6 (7-5), 7-6 (8-6) in a match in which neither player dropped serve. (AFP. Reuters)



Mark Philippoussis volleying to Daniel Vacek on Monday.

Stanislav Zhuk, 63, Dies; Coached Soviet Skaters

SKATING Stanislav Zhuk, the autocratic coach who dominated Soviet figure skating for 25 years, has died at 63, Russian television reported Monday. Zhuk died Sunday,

apparently from a heart attack. Zhuk's Soviet skaters amassed 70 European, world and Olympic golds. Among his charges were Irina Rodnina, who won three Olympic rs with two different par ners, and the two-time Olympic champions Ekaterina Gordeeva and Sergei Grinkov.

A 72d No. 1 for Buckeyes

FOOTBALL Ohio State University stayed No. 1 in The Associated Press' Top 25 college football poll. It was 72d week in history in which Ohio State has been ranked No. 1 — one more than Oklahoma, and second to Notre Dame's 94.

The AP poil standings form part of the equation that will be used at the end of the season to pick the two teams to play in the inaugural col-

lege championship game.

Tennessee moved up to the precious No. 2 spot, while UCLA, which struggled to beat Stanford on Saturday dropped to No. 3. Kansas State remained No. 4. The top four are all unbeaten.

WORLD ROUNDUP Elway Tames Bengals As Broncos Go to 8-0

Buccaneers End Vikings' Unbeaten Streak

The Associated Press

Only the Denver Broncos remain perfect in the National Football League. Going into their games Sunday, Denver and the Minnesota Vikings were undefeated while the Washington Redskins and Carolina Panthers — who had been perfectly awful at 0-7 — both won.

Broncos 33, Bengals 26 John Elway had to rekindle his fourth-quarter magic to keep Denver undefeated (8-0). He led

NFL ROUNDUP

the Broncos to three touchdowns in the

Elway threw a 25-yard touchdown pass to Ed McCaffrey, and Terrell Davis — who rushed for 149 yards — ran two and five yards for touchdowns in the final quarter.

Davis's final touchdown, with 58 seconds left, broke a 26-26 tie. The Bengals had tied the score with 2:54 left on Neil O'Donnell's third touchdown pass, a one-yard throw to Marco Battaglia, and a two-point conversion. Elway, who completed all four of his

fourth-quarter passes for 86 yards, said: "It's been a while since we've had one like this. It's something we probably needed. We hadn't been in that simation. When you're not playing well, you've got to find a way to win. Bucs 27, Vikings 24 Tampa Bay had a

team-record 246 yards rushing, and took the lead on Mike Alstott's 6-yard touchdown run with 5:48 to go. "A lot of people were saying we

needed a new quarterback or we needed some offensive linemen," said Alstott, who ran for a career-high 128 yards. 'All we had to do was go out there and Warrick Dunn gained 115 yards, giv-

ing Tampa Bay two rushers with 100 yards in a game for the first time in the franchise's history.

Randall Cunningham was outstanding in defeat for visiting Minnesota, completing 21 of 25 passes for 291 yards and two touchdowns. Redskins 21. Gianta 14 Skip Hicks car-

ried five times for 50 yards, including a 4yard touchdown run, in the opening drive of the second half to give Washington a 21-7 lead over the visiting Giants. Trent Green, again promoted to the starting quarterback job after Gus Frerotte's dismai game two weeks ago, was 21-of-31 for 225 yards and scored the Redskins' first touchdown on a one-yard bootleg.

Panthers 31, Saints 17 Steve Beuerlein threw for two touchdowns as Carolina beat visiting New Orleans for its first victory this season. Beuerlein completed 13 of 17 passes for the Panthers, who snapped a nine-game losing streak. He threw scoring passes of 31 yards to Raghib Ismail and one yard to Muhsin Muhammad

The Saints' quarterback Kerry Collins was arrested and charged with drunken driving early Monday, hours after the game against his former Carolina teammates. Collins, the Panthers' former No. 1 draft choice who was cut last month after reportedly saying he no longer had the heart to play, watched on

the sidelines as New Orleans's backup. Cardinals 17, Lions 15 Jake Plummer threw two touchdown passes, and Joe Nedney kicked a 53-yard field goal with 2:46 remaining, lifting Arizona to victory at Detroit. The Lions' rookie quar-

terback, Charlie Batch, who was intercepted three times and lost one fumble in the first half, was benched in the second half, and Frank Reich took over.

Jaguars 45, Ravens 19 Jacksonville broke the team record for points in a game in the first half at Baltimore. The Jaguars, who had never scored more than 40 points, led by 42-13 at halftime after getting three touchdowns off Baltimore fumbles and another on a blocked punt.

Oilers 41, Steelers 31 Steve McNair, the Tennessee quarterback, threw three touchdown passes, and Eddie George rushed for 153 yards as the Oilers won in Pittsburgh. The Oilers led, 41-15, until Mike Tomczak replaced Kordeli Stewart as Pittsburgh's quarterback in the fourth quarter and led two touchdown drives.

Faicons 37, Rams 15 In Atlanta, Jamal Anderson rushed for a career-high 172 yards and scored three touchdowns. Chris Chandler, sidelined last week by a shoulder injury, threw for 236 yards and two scores for the Falcons. Chandler also threw an interception that Ryan McNeil returned 37 yards for a touchdown for St. Louis.

Joss 20, Chiefs 17 John Hall kicked a 32-yard field goal as time expired, giving New York the victory in Kansas City — the Jets' fifth victory in six games. The Jets moved into a four-way tie atop the AFC East.

rs 31, Sestiawics 18 Oakland won its fifth straight game by forcing five turnovers in Seattle. The Raiders had four takeaways in the second half as they overcame a 10-7 halftime deficit.

Bills 30, Dolphins 24 Doug Flutie led Buffalo to its fifth straight victory. throwing three touchdown passes against the NFL's top-ranked defense. Dan Marino nearly won the game for visiting Miami, He found O. J. McDuffie with a desperation pass, but the receiver was stopped short of the end zone.

Patriota 21, Colts 16 Drew Bledsoe. the New England quarterback, burned Jeff Burris, the Indianapolis defensive back, on a 63-yard touchdown pass to Tony Simmons as New England won at Indianapolis. Burris was also called for two pass interference penalties that set up touchdowns for the Patriots. Peyton Manning completed a season-high 30 passes for 278 yards for the Colts, including two touchdown passes. But the last two Indianapolis drives ended with



Green Bay's Travis Jervey is mobbed by teammates after he ran II yards for a touchdown, his first in the NFL.

Packers Make It 5 Straight Over 49ers

By Thomas George Vew York Times Service

GREEN BAY, Wisconsin. - The Green Bay Packers took another big bite out of San Francisco's psyche with its fifth straight victory over the 49ers. And San Francisco is counting.

'What is it with these guys?" asked the 49er cornerback Marquez Pope, who on the game's first play from scrimmage watched the flashy receiver Antonio Freeman sprint 80 yards for a

touchdown on a pass from Brett Favre. That started a 19-0 spree Sunday that set the Packers on the way to a 36-22

"This streak now is very difficult," Pope said. "There is so much a grudge between these two teams. We play tight and we fight. But something always happens at the end. The ends kill us. We

can't get our cigar against this team."
Lee Woodall, a fifth-year 49er line-backer, said: "When I first got here, it was always Dallas, Dallas, Dallas. Now it's Green Bay, Green Bay, Green Bay. They are in our heads. We've got to

"It's a mind game now," he said.
"They should feel that way," said Reggie White, the Packers' once-again dominant defensive end, who made three sacks and became the first player in league history to get at least 10 sacks in 12 separate seasons. He has 11 this

season in eight games.
"We just had the surge at the end." White said. "We went in at halftime and at the start of the fourth quarter and told every man, 'Look and dig down deep and make sure you bring all you have to win this thing.' And we did that. We were stronger than them. We know how to beat that team. You have to be physical and aggressive. That's what we were."

The game started this way for San Francisco: 80-yard touchdown pass by Green Bay, Steve Young sacked, Garrison Hearst ran for five yards, Young sacked again, then Reggie Roby lost the

handle on a punt snap resulting in a safety for Green Bay. The game was 29 seconds old and the Packers were ahead, 9-0. With 9 minutes 44 seconds left in the

just inside the right front corner of the end zone for the touchdown.

'Obviously, I thought this was going to be a big game for our organization," the 49ers' coach, Steve Marineci, said. "They got us down early, but I liked the way we fought back."

San Francisco did it with Jerry Rice's 12-yard scoring catch from Young at the end of the first quarter and then with a spirited second quarter that brought the 49ers close and left them trailing by 19-13 at halftime. Starting the fourth quarter, San Francisco was ahead, 22-19. But then Ryan Longwell booted a 45-

yard field goal for Green Bay, Favre found Freeman again on a 62-yard scoring pass. Young was sacked by Keith McKenzie, who also recovered Young's fumble. Then the Packers' Travis Jervey ran around right end for an 11-yard touchdown to put the Packers ahead, 36-22, with 9:30 remaining From that point, the Packers rashed Young silly in He was sacked a total of nine times.

Green Bay overcame three Favre infirst quarter, Green Bay made the score terceptions. He was 15 of 28 for 279 16-0. Robert Brooks caught a 30 yard yards with three touchdowns. Young pass from Favre and then tap-danced passed for only 186 yards.

First-Period Jitters Keep Hurting the Blackhawks

hawks have tried everything to cure their ineffectiveness in the first-period. They even modified their warm-up routine, but that didn't work, either.

On Sunday night, the Blackhawks for his first goal just a minute into the onceded three goals in the first period game. Fleury added a power-play goal conceded three goals in the first period as they lost, 4-1, to the visiting Calgary Flames. The Blackhawks have been outscored, 16-6, in the first period this

"We knew coming in they struggled in the first period at home," said Theoren Fleury, a Calgary forward who scored two of his three goals in the first period.

Fleury eluded a stick check by Chris After Fleury's first two goals. Todd

NHL ROUNDUP

later in the period and then an empty-netter in the third. "We wanted to make it tough for Chris Chelios and get in his face like every team does in the league," Fleury said.

The final period was marked by sev-eral skirmishes, and Chelios was assessed a 10-minute misconduct penalty for throwing a punch at Fleury.

CHICAGO — The Chicago Black— Chelios, Chicago's star defenseman. Simpson made it 3-0 with a slap shot awks have tried everything to cure and beat Jeff Hackett with a slap shot just seconds after a faceoff.

Coyotes 3, Kings 0 Nikolai Kh-abibulin carned his 14th career shutout with 31 saves as Phoenix dealt host Los Angeles its third shutout loss in fourgames. The Kings have gone scoreless in consecutive home games for first years ago.

Sonators 5, Flyere 4 Steve Martins and Radek Bonk scored goals within a 1:43 span late in the third period as Ottawa won in Philadelphia. A former Flyers forward, Vaclav Prospal, had three assists for the Senators.

John LeClair scored twice for Philadelphia and Eric Lindros scored once. Lindros is tied for the NHL lead with eight goals.

Bill Muckair set up three goals as the Canucks beat Washington. Muckalt set up goals by Markus

Nashmd, Brandon Convery and Adrian time since their inaugural season 32 Aucom as the Canneks snapped a threeame winless streak

Vancouver's captain, Mark Messier, continued to climb up the NHL goal list. He scored his fifth of the season and 602d of his career, tying him for eighth on the all-time list with Dino Ciccarelli.

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INTERNATIONAL HERALD TRIBUNE, TUESDAY, NOVEMBER 3, 1998

Sutton Confirms It: He's Back

Victory in Tour Championship Earns a Presidents Cup Spot

By Chifton Brown
New York Times Service

Tour Championship his journey was has reached a new zenith. both memorable and rewarding.

eapped Sutton's most rewarding sea- complete. son with a remarkable victory.

Not only did Sutton win the biggest poise held up under tremendous prescheck of his career, \$720,000, but he sure, and on the first hole of sudden winner Sunday at the regular-season also clinched a spot on the U.S. Presdeath, he hit a brilliant 4-wood tee tour finale, clinching the 1998 dents Cup train, and reaffirmed that shot from 245 yards away that landed money title (\$2.591,031) and the dents Cup team, and reaffirmed that shot from 245 yards away that landed

After winning the PGA Cham-Sutton survived a four-man battle pionship in 1983, Sutton's career Sutton said. This is the only way I on the back nine Sunday. He caught spiraled downhill, and in 1992, he know how to put this: When I stand Yijay Singh, who had led through planmeted to 185th on the tour's on the tee and I look down the tarrounds, at the 18th and beat him money list. But Sutton slowly put the way, I see the fairway. I don't see the money way, I see the fairway. I don't see the money list. But Sutton slowly put the way, I see the fairway. I don't see the fairway is a see the fairway. with a birdie on the first hole of a pieces of his swing back together, rough. When I was at rock bottom, all Sudden death playoff. The victory and by this year, the puzzle was I could see was the rough. So yes, I

On Sunday, Sutton's game and sustain. the has returned as a force in golf.

Sutton and Singh both finished at up a birdie putt for victory. When it scoring average (69.13).

Either Duval or Mark was over, an emotional Sutton rewho finished tied for 13 1274), one stroke ahead of Jim Furyk flected on both the highs and the lows and Jesper Pamevik, who fied for of his career.

They were the only four players to hit balls on the range to sitting here who finished under par for the tournal talking about winning this tournal nament at the East Lake Golf Club, a ment, "said Sutton, who also won the ATLANTA ... It has been a long demanding course that brought out Westin Texas Open in September and want back for Hal Sutton, but at the the best in Sutton, who at 40 years old finished fifth on the 1998 money list, earning more than \$1.83 million.

"It has been a long, hard battle," think I'm back. Now, I just need to

David Duval was the other big Vardon Trophy for the year's lowest-

Either Duval or Mark O'Meara, who finished tied for 13th on Sunday, will win the player-of-the-year "I went from feeling embarrassed award voted on by the players.



Hakkinen's Victory a Fitting End to a Stirring Season

PARIS — The Formula One season ended with a sharp bang followed

by a 19-lap glide to victory.
When Michael Schumacher's right rear tire exploded on Lap 32 of the race Sunday, it deflated not only his title Sunday, it deriated not only and factorial formation of the Japanese Grand Prix in Suzuka. As Schumacher 10 lene to go. Mika rolled to a halt with 19 laps to go, Mika Hakkinen won his first drivers' title, and his team, McLaren-Mercedes, won its eighth constructors' title. The promised duel to the finish between the two title contenders never happened.

But this was still one of the best seasons in recent memory. Over the last few years, Formula One has seemingly been ruled by its commercial needs and clouded by poor sportsmanship and tech-nical and rules disputes. The untainted

1998 season aided the sport's image. While Formula One hasn't been 'plagued by dope scandals, it frequently runs into controversies over its complicated rules. The only time such a

SCOREBOARD

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Oskland 31, Seattle 18 Open: Chlongo, San Diego.

1. Ohlo 57. (43)

THE AP Top 25

toothell poll, with 1st-place votes in parentheses, records through Oct. \$1, total points based on 25 points for 1st place vote

Vantage Point/ Brad Spurgeon

Schumacher won the British Grand Prix at Silverstone by crossing the finish line in the pit lane, rather than on the straightaway, after serving a 10-second penalty at the end of his last lap. His opponents complained, to no avail.

That victory effectively re-ignited the championship race, as it drew Schumacher to within two points of Hakkinen, who had dominated the early part of the season. The previous year, the stretched to a final showdown after Jacques Villeneuve was disqualified from the penultimate race in Suzuka for speeding under a caution flag, an of-

the German driver. He finished last seadispute occurred this season was when son in disgrace at Jerez, Spain, after he

tried to knock Villeneave off the track. He only succeeded in going off himself, handing the title to the Canadian.

son looking human and sympathetic. Again, he came within a few of points of the title and, again, he lost. But this time it was because of a blown tire, not because of questionable tactics. His sportsmanlike reaction to the defeat showed when he broke protocol by entering the parking area where the final three finishers place their cars before climbing to the podium. He congratulated Hakkinen

Hakkinen showed fine sportsman-

ship all season, too, after several setbacks. On Saturday, after being beaten to the pole position by Schumacher, the Finn walked over to the Ferrari driver

his tail for much of the race.

patient and composed driver.

"Nothing was ever the same again."

Hong Kong Charges 5 With Match-Fixing

National Team Players Allegedly Took Bribes

Compiled by Our Staff From Departures

Hong Kong's anti-corruption watchdog charged five players on its national team Monday with match-fixing, including the rigging of a World Cup qualifying

Lee Wai-man, Lok Kar-win, Chan Chi-keung, Wai Kwan-lung and Lau

WORLD SOCCER

Chi-yuen face a total of 17 charges and will appear in court Tuesday, the Independent Commission Against Corruption said in a statement.

In July, a court jailed the Hong Kong striker Chan Tsz-kong for 12 months after he admitted taking a bribe to lose a World Cup qualifying match against Thailand.

Chan Tsz-kong admitted conspiring with others to take a bribe of 200,000 Hong Kong dollars (\$26,000) from a bookmaker in return for ensuring that

Hong Kong lost the match in 1997. The commission said that Lee, Lok, Chan Chi-keung and Wai were charged

with conspiring with Chan Tsz-kong. Lok and Wai each faced a charge of cepting 30,000 dollars from Chan Tsz-kong in return for failing to play their best in the match, the commission

Lau was accused of conspiring with Chan Tsz-kong and others to gain be-tween 160,000 dollars and 280,000 dollars from a bookmaker for ensuring that a local club, Sing Tao, lost four matches between August 1995 and June 1996.

RUSSIA The daughter of Oleg Veretennikov, the leading scorer in the Russian league, is in critical condition in a hospital after acid was thrown in her face by an unknown attacker.

The Rotor Volgograd midfielder was taking his 2-year-old daughter, Tanya, for a walk Thursday when they were assaulted near his home.

Veretennikov tried to shield his daughter's face as the attacker threw sulfuric acid, but she suffered severe burns over most of her face. The player suffered a burn to his hand.

Doctors still call her condition crit-

ical," Tanya's mother, Larisa, was quoted as saying in the Russian daily Sport-Express.

Veretennikov is recovering from shock and missed Rotor's season finale

against Torpedo Moscow on Friday. The local police say the attack could have been a personal vendetta by a

CROATIA Two Croatia Zagreb players, including striker Marko Viduka refused to undergo a drug test after the league leader drew, 1-1, with secondplace Hajduk Split. Two Hajduk players

The national soccer federation and the Croatian Olympic Committee agreed only last week to introduce regular drug tests in the league.

The two groups are now arguing over whether Viduka, who is being trans-ferred to Glasgow Celuc, was obliged to take the test. Antun Vrdoljak of the Olympic committee said Viduka should be suspended and the game awarded to

ENGLAND Everton said Monday it would study police videos to try to identify fans who threw missiles at Peter Schmeichel, the Manchester United goalkeeper, in a Premier League match Samrday.

The club said it would prosecute and ban for life the "morons" who pelted the Danish goalkeeper with objects as his team won, 4-1, at Everton's home field in Liverpool.

BRAZIL Vanderley Luxemburgo, Brazil's new national coach, received a red card as Corinthians, which he is continuing to coach until the end of the season, beat Vitoria, 3-2.

Luxemburgo was expelled by referee Claudio Cerdeira for arguing over Vitoria's first goal. Cerdeira also issued Luxemburgo a red card during a match last year. The coach has accused Cerdeira of persecuting him.

Corinthians, the league leader, won with a last-minute penalty kick by Freddy Rincon, who had to wait 10 minutes to take the kick because Vitoria supporters had invaded the field to protest Cerdeira's decision. (AP, AFP, Reuters)

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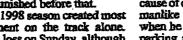
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CFL PLAYOFFS

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fense rarely punished before that.
Indeed, the 1998 season created most of its excitement on the track alone. Schumacher's loss on Sunday, although an obvious disappointment for him, was nevertheless a redemption of sorts for

The International Automobile Fed-

eration, the sport's governing body. stripped Schumacher of his secondplace finish in the championship, but did not suspend him for any races. It appeared to some to be a victory of marketing over sport, as eliminating racing's biggest star might prove too unpopular. But Schumacher ended the 1998 sea-

with a handshake.

ICEHOCKEY

and shook his hand in congratulations. Hakkinen's title is a redemption for him as well. After being accused of winning only because he had the best

car, the 30-year-old driver from Helsinki put such doubts to rest. He may have won the title in Suzuka, but he proved his mettle at the Luxembourg Grand Prix on Sept. 27, a race held in Germany on Schumacher's home territory at the Nurburgring track. The two drivers entered that race even on points. Hakkinen not only won, but also did so with Schumacher putting pressure on

This from a man who nearly died in a racing accident in his McLaren at the Australian Grand Prix in 1995, then returned just months later as a more 'That weekend in Adelaide changed

my life," Hakkinen said Sunday.

CRICKET WESTERN AUSTRALIA V.S. ENGLAND

GOLF TOUR CHAMPIONSHIP

playoff hole): x-Hal Sutton, U.S. Vilay Singh, Fiji Jim Faryk, U.S. Ist Fernet (appropriate of Chaster) 2 Colory, Fleury 6 (Housley) (pp), 3 Colory-Skapson 1 (Wietner) 2d Period: C.Daze 4 (Gilmous, Zhamnov) (pp). Thard Period: Colgory-Fleury 7 (Simpson) (sh-en). Shots on good: Colgory-8-5-6—19. C- 12-8-5—25. Gooffics: Colgory-Wreggel. C-Hocketl.

Phoemic 1 1 1—3 Jesper Parnevik, Swe. Sleve Stricker, U.S. Scott Verplank, U.S. Justin Leonard, U.S. David Duvat, U.S.

1. David Duval, U.S., \$2,591,031 2. Vijay Singh, Fiji, \$2,238,998 3. Jim Furyk, U.S., \$2,054,334

11. Davis Love 3d. U.S., \$1,541,152 12. Mark Calcavecchia, U.S., \$1,368,554 12. Stove Stricker, U.S., \$1,311,948 15. Glen Day, \$1,283.416 16. Billy Maylair, U.S., \$1,281,695 17. Scott Hoch, U.S., \$1,237,653 19. Povne Stewart, U.S., \$1,193,996 20. Lee Janzen, U.S., \$1,155,314 FRIAL EUROPEAN TOUR MONEY LEAD

3, Lee Westwood, Brit. 5314,387 t. Milauel Angel Jimenez, Spain, ES18-820

4. Tiger Woods, U.S., \$1,841,117 5. Hal Sutton, U.S., \$1,838.740 6. Phil Mickelson, U.S., \$1,837,246 7. Mark O'Meara, U.S., \$1,87,246 9. Fred Couples, U.S., \$1,671,823 TENNIS BELL GUALLENG FINAL
Tura Snyder (7), U.S., del. Chanda Rubin
(5), U.S., 4-6, 6-4, 7-6 (8-6). 10. John Huston, U.S., \$1,544,110

MEXICAN OF EN retal. Jir Novek, Czech R. sief, Xovier Moffs. elgium, 6-3, 6-3.

TRANSITIONS

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MATIONAL LEAGUE

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MILWAUKES... Named Tom Gausden vice
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POOTWALL

NATIONAL POOTBALL LEAGUE

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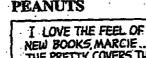
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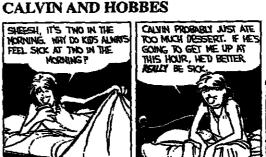














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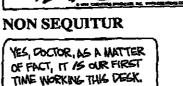
18. Bernhard Langer, Germany, £262,347 19. David Carter, Brit., £244,424

20, Jan Woosnam, Brit., \$237,571



WIZARD of ID





HOW DID YOU GUESS?







DOONESBURY







Out for a N.Y. Stroll

phenomenon. People are fallfallen down several times, so tire body can get shaken up. I didn't find it strange.

I asked a friend what was going on, and he said. 'The potholes on the sidewalks are getting larger, and most pedand most per estrians are not atten-

"You see that chap over

there who just Buchwald fell down? He is typical of a New York City resident. No one is going to pick him up because it might involve a lawsuit."

He seems to be climbing out of the hole by himself."

"New Yorkers are getting more talented at climbing out of their holes. It goes with the territory. The cement and bricks are raised two or three inches, just enough for the toe of the shoe to hit the elevated surface. When a person least suspects it, he trips and falls down. In the past we helped the person up, but now, with Medicare, it's really none of

I asked, "Is there any way a person can avoid tripping over a pothole on the streets of New York?"

NEW YORK — Since I My friend said, "Not moved to New York City much. The big potholes are I have noticed an interesting located in the streets, and if you're tiding in a taxi you can ing down in the streets. I had really hit a boomer, Your en-

> "At the same time potholes on the sidewalks sneak up on you.

'The trick, of course, is to take one step at a time, placing the sole of your shoe squarely in front of you. This will not goarantee you won't fall down, but after a while you get to practice tripping and you can save yourself serious injuries.

"The most important thing when tripping in a pothole is to throw your arms out, protecting your face and chin. Don't worry about injuring the rest of your body because you can always get ambu-lance help under the New York Son of Sam Pothole

My guide told me that neighborhoods are more hazardous than others, and people are now wearing catcher's masks.

But the most important thing is, if you're going to fall on the sidewalks of New York, fall into another pedestrian and let him take the blow. There is no way to repair the potholes, so all one can do is topple on somebody else and share the lawsuit

Napoleon's Gun Is Stolen in Geneva The Associated Press

GENEVA — A hunting gun that once belonged to Napoleon Bonaparte was stolen from a Geneva museum in an overnight raid.

Thieves scaled the walls of the Museum of Swiss History and smashed the glass case protecting the exhibit, state police said Sunday. The thieves set off the building's alarm system. but managed to escape. The police did not know the age or

R.E.M. Is Alive and Well With Album No. 11

By Mike Zwerin tional Herald Tribune

got together while attending the University of Georgia 13 years ago, Bill Berry, Peter Buck, Mike Mills and Michael Stipe had trouble naming their rock band. They were writing and perform-

ing their own songs. They were good friends. The songs were good. Everybody was sure they had a future. The problem was a name. Finally they opened an encyclopedia and someone put a finger . . . there. That's the myth. Actually, it took more fingerings before Stipe landed on R.E.M., which stands for Rapid Eye Movement and describes the dream state.

Having sold a total of about 35

million albums worldwide, they have just released their 11th, They had trouble naming

Bertis Downs, a law school student, advised the young band to register the chosen name. Downs, who resembles Gregory Peck playing a southern lawyer, is still the band's lawyer (and manager). Other bands in other parts of the country turned up with the same name, but they were not registered. So our R.E.M. got there first.

That take on how to thrive on the edge of the "System" combined with intelligence, luck, looks, short easygoing names and a good marriage defines their longevity.

Although he's a great front man,

we are told that it cannot be emphasized strongly enough that the singer and songwriter Stipe is not, repeat, not the leader. "We all know that democracy doesn't work," he said. "In this band it has; there is no true leader. An analogy to a marriage would be fitting. You have to learn when to sublimate yourself to other people's foibles and the little jaunts they make off into the Lord knows where and

same time. The chewing was drowning out the speech much like ONDON — When they first drown his lyrics in a live performance — he has been nagged about that for years. Stipe also tends to stutter and wave his arms as he expresses himself. Which works for him. His combination of timidity, confidence, honesty and premature baldness is attractive:

"I think our music is very radical and political and, as Peter says, we are the acceptable side of the un-acceptable. R.E.M. is very much into the mix of American pop culture and we present ideas, I think, and themes through our work that are extremely radical. I like the idea that we can mess stuff up. And do it

like a tapeworm, from the inside."

In 1995, Berry, the drummer, underwent emergency neurosurgery while the band was on tour in Switzerland. He recovered, but one thing kept following the other and he quit last year. He told them that if his leaving would break up the band, he wouldn't. They said it wouldn't. There were tears; the family lost a member.

"Up" is their first album as a trio. With all the layering and the loops and so on that are possible in a studio, the drummer does not make that much difference. (They hire a sideman for concerts. ("We have always been very organic, real and uncalculating," Stipe said. "Finding our situation so radically different, we just reacted to it. So now we are a collective of three, not

Obviously family, Buck and Mills (not a tap-dancing team) are your compleat rock 'n' roll coleaders. Looking modest in the burns in Europe as in the United spotlight, they are each quick- States.) learning multi-instrumentalists (guitars, bass and keyboards). Though neither of them sing lead, they compose the songs together and have critical input into arrangement and delivery.

Stipe was sitting on the edge of a five-star hotel's fancy antique chair chewing a salad and speaking at the five-star hotel's fancy antique chair chewing a salad and speaking at the five-star hotel's fancy antique chair chewing a salad and speaking at the five-star hotel's fancy antique chair chewing a salad and speaking at the five-star hotel's fancy antique chair chewing a salad and speaking at the five-star hotel's fancy antique chair chewing a salad and speaking at the five-star hotel's fancy antique chair chewing a salad and speaking at the five-star hotel's fancy antique chair chewing a salad and speaking at the five-star hotel's fancy antique chair chewing a salad and speaking at the five-star hotel's fancy antique chair chewing a salad and speaking at the five-star hotel's fancy antique chair chewing a salad and speaking at the five-star hotel's fancy antique chair chewing a salad and speaking at the five-star hotel's fancy antique chair chewing a salad and speaking at the five-star hotel's fancy antique chair chewing a salad and speaking at the five-star hotel's fancy and the five-star hotel



Mike Mills, Peter Buck and Michael Stipe of R.E.M.

Vienna, Stockholm and Milan to "Filled with crashing power promote "Up" without the aches and pains of monster stadium support tours. (Downs, the manager. said they sell at least as many al-

R.E.M. is in a strange way reminiscent of the young jazz pianist Brad Mehldau, about whose playing it has been said that "the only thing wrong with him is that absolutely everybody likes him." It is

delay, R.E.M. has produced a record of unfettered power that remains somehow ethereal." Its muby wisdom."

One for The Independent of London wrote: "You can bet that, the polls as the Band of the Decade. Stipe was sitting on the edge of a of Europe this month, taping live reaction to such shameless rockese. about the perfect pop career, this is record. We surprised ourselves. I've five-star hotel's fancy antique chair performances in radio and televi- A critic for Musician magazine roughly what you'd end up with." said and I maintain that the songs chewing a salad and speaking at the sion studios in Hamburg. Madrid, wrote about a previous album: And by their own blurb: "One of are often smarter than I am."

the most influential and biggest

bands in the world today."
All of the above are objectively. accurate. Yet, also objectively, the group's aesthetic objectives are comparatively underwheiming.
"The Marriage of Figaro" this is not. And the members of the band are smart enough to know the difference.

As potential prisoners of the pop culture, they have done better than most to stay free. Stipe found a way to go against the grain of this mouster hype machine he must keep cranking up whether or not he likes it haikn. A haikn is a form of Japanese poetry restricted to 17 syllables over three lines. He and some friends combined to write a haikn a day for a year. A collection called "The Haiku Year" was published by Soft Skull Press, a New York publisher. One of them goes:

Everyone I-love loves someone else, thinking me too for away to love.

His haikus can be not all that different from his song lyrics — from "The Apologist" on "Up:

I live a simple life Unfettered by complex sweets.
You think this isn't me?

Stipe described himself as "verv everyday, not intellectual, not arch, not highfalutin'." About the form he works in, he said: "Pop music is ephemeral by virtue of being what it is. That being said, there are people who have taken that form and moved it upward or outwards in interesting ways. I've always felt that one of the basic tenets of R.E.M. is that we love the constraints of pop or rock or folk or sic is "crammed with obsession whatever category we've been put and grace, and weirdness redeemed by wisdom." whatever category we've been put in over the years — none of which apply, by the way." A meaningful silence, followed by:

"Those constraints are interestat the end of next year, they will top ing in and of themselves. They are Surely, if you were fantasizing really pushed it very far on this

PEOPLE



CHAMP - Nguyen Thi Ngoc Khanh, a law student and the new Miss Vietnam, acknowledging the crowd after winning the national beauty contest in Ho Chi Minh City. play.

POIGNANT letter written by Rudyard Kipling during a A POIGNANT letter written by Rudyard Kiping during a desperate but ultimately fruitless search for his missing son during World War I is to be sold in London next week, the auction house Phillips said Monday. Kipling's son, John, was already dead, at the age of 17, when the letter was written in November 1915. It was another two years before John's death, on Sept. 27, 1915, at the Battle of Loos in France, was confirmed to his distraught father, whose wartime poem 'Have you news of my boy Jack?'' told of his grief.

Sony Inc. of Japan has teamed up with the actor Sean Connery in a deal to establish a film studio in Edinburgh, the Sunday Times newspaper reports. It said the studio was to make 20 films in its first five years. The deal will be financed by Scottish Screen, Scotland's public film agency. The Sunday Times said the deal could mean Connery's return as James Bond, the role that brought him fame, although Sony is locked in a court battle in the United States over the extent to which it owns the right to the Bond stories.

The Italian film star Gina Lollobrigida was robbed of some of her most prized jewels at a hotel in Munich, the police said Monday. The actress's vanity case was stolen while she was being mobbed by fans demanding her autograph. Lollobrigida was in Munich to play the role of a godmother in a televised

Domingo Adds to His Repertoire

ASHINGTON — Placido Domingo, who has been WASHINGTON — Flactor Dollangton Opera since artistic director of the Washington Opera since 1996, has accepted the same position with the Los Angeles Opera for three years beginning June 2000, meaning that the tenor will try to do the two prestigious -

and challenging — jobs at the same time.

Domingo also said he had agreed "in principle" to extend his arrangement with the Washington Opera through the 2003-04 season. His current contract expires

Domingo will bear the final artistic responsibility for 54 performances of eight productions in Los Angeles each year, in addition to more than 70 performances of eight productions that he already oversees in Washington. He will also continue his career as a singer. He remains perhaps the world's most versatile and sought-after tenor, having sung 112 roles in his 40-year career.

Out of leading museums and private collections from Japan to the Vatican come more than 50 paintings assembled by the centennial of the artist (1898-1969) and covers works from Jewish Museum in New York in what is described as the first major museum exhibition in 22 years of the works of Ben Shahn. "Common Man, Mythic Vision: The Paintings of Ben agery after World War II.

A British film, "Tale of the Tides," bear out 119 other films to win the Palme d'Or at the world festival of underwater pictures in Antibes on the French Riviera. The prize was awarded to Victoria Stone and Mark Deeble. The second prize, the Palme d'Argent, also went to a Briton - Martin Hughes-Games - for "Land of the Tigers, Unknown Seas, and the bronze award went to the French team of Bertrand Lover and Jerome Bouvier for "Kim and Roxie, the Sea

Relations between Queen Elizabeth II and Prince Charles are at a low because he has refused to bow to her demand to end his relationship with Camilla Parker Bowles, the Express on Sunday newspaper said. On Thursday, Charles made his first public appearance with Parker Bowles since the death last year of his former wife, Diana, Princess of Wales, in a car crash in Paris. The newspaper said the queen and some of her aides were concerned by what they saw as Charles's plans to ease Parker Bowles more and



out of the blue

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